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Bond No/B001617R04-05-05

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COMMITTEE RECEIVED

### SURETY RIDER

APR 0 6 2005

of of the low DIV. OF OIL, GAS & MINING

To be attached to and form a part of Bond No. B001617 on behalf of Marion Energy Inc. \_\_\_\_, as principal and executed by ushai is U.S. Specialty Insurance Company , as surety. as surety.

March 31, 2005 Effective date of change: March 31, 2005

> that his given following. In consideration of the mutual agreement herein contained, the principal and the surety hereby consent to the following changes:

The penalty amount of the bond has changed from:

\$150,000.00

\$120,000.00

Nothing herein contained shall vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

SIGNED, SEALED AND DATED THIS: April 5, 2005

State of Utah Dept. of Natural Resources Division of Oil, Gas and Mining Name of Obligee

EARLENE RUSSELL ENCINEERING TECHNICIAN, BONDING

Name and title of person executing for Principal

Name of Sure

Signature

W. Russell Brown. Jr. Attorney-in-1

Name and title of person executing for Surety

### Bond No. <u>B001617R04-05-05</u>

### RECEIVED

### SURETY RIDER

APR 0 6 2005

DIV. OF OIL, GAS & MINING

To be attached to and form a part of Bond No. <u>B001617</u> on behalf of <u>Marion Energy Inc.</u>, as principal and executed by <u>U.S. Specialty Insurance Company</u>, as surety.

Effective date of bond: March 31, 2005 Effective date of change: March 31, 2005

In consideration of the mutual agreement herein contained, the principal and the surety hereby consent to the following changes:

The penalty amount of the bond has changed from:

\$150,000.00

<u>TO</u>:

1 1 1 1 1 1

\$120,000.00

Nothing herein contained shall vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

SIGNED, SEALED AND DATED THIS: April 5, 2005

State of Utah

Dept. of Natural Resources

Division of Oil, Gas and Mining

Name of Obligee

Signature

EARLENE RUSSELL

ENGINEERING TECHNICIAN, BONDING

Name and title of person executing for Principal

U.S. Specialty Insurance Company

Name of Surety

Signature

1 1 - 1

W. Russell Brown, Jr. Attorney-in-Fact
Name and title of person
executing for Surety

with a strain

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

	M	

AMENDED REPORT	
(himblimbs abanaa)	

	AF	PLICAT	ION FOR	PERMIT TO	DRILL		I	AL LEASE NO: E ML-1256	6 SURFACE: Fee
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B. TYPE OF WE	LL: OIL 🗌 (	GAS 🗾 (	OTHER	SINC	GLE ZONE 🚺 MU	LTIPLE ZONE	: 1   1	Creek Unit	JAME:
2. NAME OF OPE				<del>, ,</del>				NAME and NUMBER	
Marion Ene					T SUOVE	NUMBER:		n # 10-29 AND POOL, OR W	I DCAT.
3. ADDRESS OF 119 S. Teni	nessee #200	OTV McKin	ney er	TX ZIP 750		540-2967		Cuer	
	WELL (FOOTAGES)		- 317	VI b 401	/		11. QTR/	QTR, SECTION, TO\	MNSHIP, RANGE,
AT SURFACE:	444.29ft FN	L 1284.09	ft FEL / NE/4	Section 29 🎉	<b>§</b> -7E		1		5 7E
	1				Section 29 13S-	7E (NWSE)			
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	.76 miles Nor			X /			Carb		TO THIS INC.
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	directional we				ATE DATE WORK WILL ST	6,000	23. ESTIMATED	ched Bond D	ocument
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0410 01	<del></del>		10		·				
24.					ND CEMENTING F				
SIZE OF HOLE	CASING SIZE, GF	<del>\</del>		SETTING DEPTH		MENT TYPE, QUA		ID SLURRY WEIGH	
16 1/4"	13 3/8"	<b>\-</b> 55	61#	500	Premium "G"		420 sk	1.25 cuft/sl	k 14.2 ppg
12 1/4"	8 5/8"	J- <b>3</b> 5	36#	2,200	Lead: Prem. Lit	е	197 sk	3.82 cuft/sl	k 11.0 ppg
					Tail: 50/50 Poz		75 sk	1.25 cuft/sl	k 14.2 ppg
7 7/8"	5 1/2"	J-55 /	17.0#	6,000	Lead: Prem Lite	)	397 sk	3.82 cuft/sl	k 11.0 ppg
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		$\neg \neg$							
		7							-
25.		7		ATTA	CHMENTS )	•			
VERIFY THE FO	LLOWING ARE ATTA	CHED IN ACCO	RDANCEWITH THE	UTAH OIL AND GAS C	ONSERVATION GENERAL	LRULES:		<del></del>	
[7]		DED BY LIGHT	ED ELIBVEYOR OR	ENCINEED	<b>✓</b> COMPLETE	DRILLING PLAN			
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NAME (PLEASE	PRINT) Benjam	nin Evans		,	TITLE Lai	ndman			
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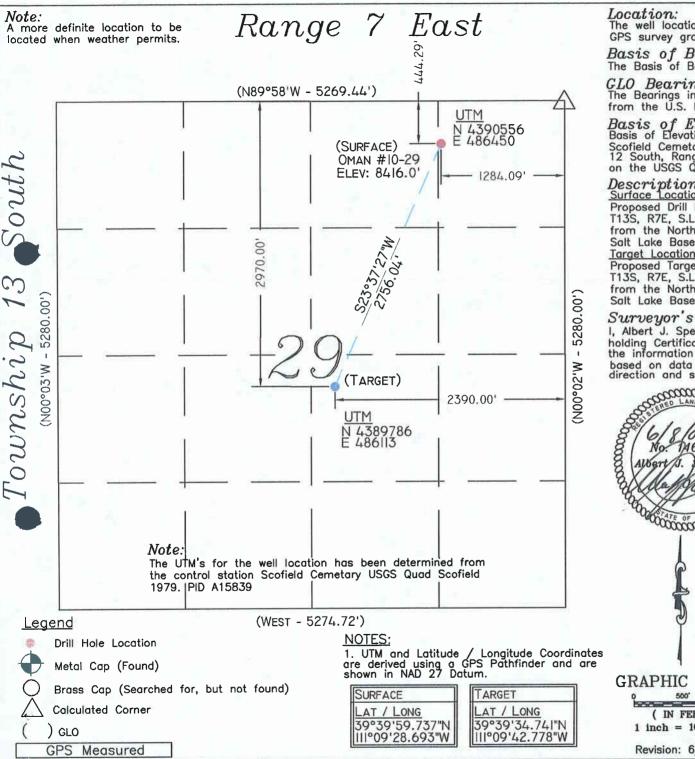
(See Instructions on Reverse Side) 43897877 39.459643

-111.161812

DIV. OF OIL, GAS & MINING

43905577 39.66660 -111.157949

(11/2001)



Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing: The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 7740 being a NGS Triangulation Point —
Scofield Cemetary Carbon County, Utah in Section 32, Township
12 South, Range 7 East, Salt Lake Base and Meridian, as shown on the USGS Quad Scofield (1979).

Description of Location:

Proposed Drill Hole located in the NE/4 NE/4 of Section 29, T13S, R7E, S.L.B.&M., being 444.29' South and 1284.09' West from the Northeast Section Corner of Section 29, T13S, R7E, Salt Lake Base & Meridian.

Proposed Target located in the NW/4 SE/4 of Section 29, T13S, R7E, S.L.B.&M., being 2970.00' South and 2390.00' West from the Northeast Section Corner of Section 29, T13S, R7E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



### GRAPHIC SCALE

( IN FEET ) 1 inch = 1000 ft.

Revision: 6/6/06



### TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230 Huntington, Utah 84528 Phone (435)687-5310 Fax (435)687-5311 E-Mail talonectv.net



Oman #10-29 Section 29, T13S, R7E, S.L.B.&M. Carbon County, Utah

N. BUTKOVICH	Checked By: L.W.J./A.J.S.		
Drawing No.	Date: 6/5/06		
A-7	1" = 1000		
Shoet 1 of 4	Job No. 2457-A		

### **United States Department of the Interior**

# BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

June 20, 2006

Memorandum

To:

Assistant Field Office Manager Resources,

Moab Field Office

From:

Michael Coulthard, Petroleum Engineer

Subject:

2006 Plan of Development Clear Creek Unit Carbon County,

Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Clear Unit, Carbon County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Ferron)

43-007-31209 Oman 14-20 Sec 29 T13S R07E 0437 FNL 1302 FEL BHL Sec 20 T13S R07E 1220 FSL 3020 FEL

43-007-31210 Oman 10-29 Sec 29 T13S R07E 0444 FNL 1284 FEL BHL Sec 29 T13S R07E 2970 FNL 2390 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc:

File - Clear Creek Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron



October 12, 2006

Diana Whitney
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: <u>Directional Drilling R649-3-11</u>

Oman #10-29: 2052' FSL, 1581.18 FEL, / SE/4 Section 29 13S-7E (Surface) 1045' FNL, 2032' FWL, / NW/4 Section 32 13S-7E (bottom hole) Carbon County, UT.

Dear Ms. Whitney

Pursuant to the filing of Marion Energy Inc.'s Application for Permit to Drill the above referenced well on October 13, 2006, we are hereby submitting this letter in accordance with Oil and Gas Conservation Rule R649-3-11 pertaining to the exception to location and Sitting of wells.

bah

ariel

- The Oman #10-29 well is located within the Clear Creek Federal Unit Area.
- Marion Energy Inc. is permitting this well as a directional well in order to maximize drainage of the reservoir in a topographically challenging area.
- The concept of drilling Multiple directional wells from a single pad site will allow Marion Energy Inc. to minimize surface disturbance that would be otherwise caused by two or more separate pad sites, as the plan is too drill two directional wells.
- Marion Energy Inc. hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based upon the above information Marion Energy Inc. requests the permit be granted pursuant to R649-3-11.

If you require any further information, please do not hesitate to contact me at (972) 540-2967 ext. 3008 or email sjacoby@marionenergy.com

Sincerely,

Scott Jacoby Landman

Marion Energy Inc.

119 South Tennessee, Suite 200, McKinney, Texas, 75069 Telephone: (972) 540-2967, Fax: (972) 547-0442

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT (highlight changes)

	. A!	PPLICA	TION FOR	PERMIT TO	DRILL	t.		AL LEASE NO: ML-1256	6. SURFACE: Fee
1A. TYPE OF WOR	кк: DR	ILL 🗹	REENTER [	DEEPEN		1 (4.4) (4.1)	7. IF INDI	AN, ALLOTTEE OR	TRIBE NAME:
B. TYPE OF WEL	L: OIL .	gas 🗾	OTHER	SINC	GLE ZONE MU	LTIPLE ZONI	= 1   1	Creek Unit	NAME:
2. NAME OF OPER						Var.	9. WELL I	NAME and NUMBE	₹:
Marion Ene							Oma	n 10-29	
3. ADDRESS OF C	essee		nney <sub>STA</sub>	TX ZIP 750	069 (972)	NUMBER: 540-2967	10. FIELD	AND POOL, OR W	(Neek 10
4. LOCATION OF	WELL (FOOTAGES)	) <b>486</b> 30 1581.18 F	64 4389° EL/ SE/4 Sec	713 Y 39.69	8997-111.15	58931	MERIE		
					- Section 29 13S-7 		NWSI	E 29 13	S R7E
14. DISTANCE IN	MILES AND DIRECT	TION FROM NE	AREST TOWN OR PO	ST OFFICE	32-111.164	57,7	12. COU	NTV:	13. STATE:
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15. DISTANCE TO	NEAREST PROPE	RTY OR LEASE	LINE (FEET)	16. NUMBER O	ACRES IN LEASE:		17. NUMBER OF	ACRES ASSIGNED	TO THIS WELL:
1650 feet	1650 feet 480.00								40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)  20.					20. BOND DESC	RIPTION:			
20 Feet	,	,				5,860	See attac	ched - Bond	Documents
21. ELEVATIONS	(SHOW WHETHER	DF, RT, GR, ET	C.):	i i	ATE DATE WORK WILL STA	ART:	23. ESTIMATED	DURATION:	
8,576.30fe	eet		•	11/15/20	006	·· H( I. ·	- 30	Days	
24.	PROPOSED CASING AND CEMENTING PROGRAM								
SIZE OF HOLE	CASING SIZE, G	RADE, AND WE	IGHT PER FOOT	SETTING DEPTH	CEI	MENT TYPE, QU	ANTITY, YIELD, AN	ID SLURRY WEIGH	T BORDON
14 1/4"	10 3/4"	J-55	40.50	500	Prem Plus III		323 sx	1.41cuft/s	k 14.20 p <u>p</u> g
9 7/8"	7 5/8"	J-55	26.40	1,850	Lead: Prem. Lite	Э	133 sx	3.82 cuft/s	k 11.0 ppg
					Tail: 50/50 Poz		122 sx	1.41cuft/s	k 14.20 ppg
6 3/4"	5 1/2"	J-55	17.0	5,860	Lead: Prem. Lite	9	122 sx	3.82 cuft/s	k 11.0 ppg
	Liner top	@ 1650'			Tail: 50/50 Poz		103 sx	1.41cuft/s	k 14.20 ppg
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VERIFY THE FOL	LOWING ARE ATT	ACHED IN ACC	ORDANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION GENERAL	. RULES:			
<b>✓</b> WELL PL	AT OR MAP PREPA	ARED BY LICEN	SED SURVEYOR OR	ENGINEER	✓ COMPLETE	DRILLING PLAN			
C SAIDENC	E OF DIVISION OF	WATER DICUT	E ADDROVAL FOR L	ICE OF WATER		ODEDATOR IS DE	TOOM OF COMP	NAME OF THE START	THE LEADE OWNER
L'I EAIDENC	E OF DIVISION OF	WATER RIGHT	S APPROVAL FOR L	ISE OF WATER	L FORM 5, IF C	DPERATOR IS PE	RSON OR COMPA	ANY OTHER THAN	THE LEASE OWNER
		)							
NAME (PLEASE	PRINT) Keri Ç	arke /	A	Λ	Vic	e Presiden	t, Land Dep	arment	
SIGNATURE					10/	13/2006			
	- 17		1		Utah Divisio	n of		RECEIV	ED :
(This space for Sta	te use only)	talian sa	ing property of the		Clair Division A	Ainina	. :		4
		A CONTRACTOR OF STREET	- y a kazembri y	सहित्राहरीय व सहस्रकारीय व	the state of the same of			OCT 16:	2006
API NUMBER AS	SIGNED:	43-00	7-31210		AGRICAL	<del>-</del> 02	_ DIV.	OF OIL, GAS	& MINING

(11/2001)

Lide Continues Dargur County, Utah Tirde of e Range 7 East Location: The well location was determined using a Trimble 5700 GPS survey grade unit. Basis of Bearing: The Basis of Bearing is GPS Measured. GLO Bearing. (S89°50'W - 5285.94') The Bearings indicated are per the recorded plat obtained from the U.S. Land Office. Basis of Elevation: UTM Basis of Elevation of 7740' being a NGS Triangulation Point -N 4390373 E 485885 Scofield Cemetary Carbon County, Utah in Section 32, Township 12 South, Range 7 East, Salt Lake Base and Meridian, as shown on the USGS Quad Scofield (1979). (TARGET) Description of Location: Proposed Drill Hole located in the NW/4 SE/4 of Section 29, T13S, R7E, S.L.B.&M., being North 2052.03' from South Line 2032.00 and West 1581.18' from East Line of Section 29, T13S, R7E, 5280.00") Salt Lake Base & Meridian. Target Location Proposed Target located in the NE/4 NW/4 of Section 29, T13S, R7E, S.L.B.&M., being South 1045.00' from North Line and East 2032.00' from West Line of Section 29, T13S, R7E, Salt Lake Base & Meridian. Surveyor's Certificate: I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey Townshi based on data of record and was conducted under my personal direction and supervision as shown hereon. 1581.181 CALC. (SURFACE) OMAN #10-29 S00°00'59"E ELEV: 8576.3 N 4389692 E 486383 TALON RESOURCES, INC. 195 North 100 West P.O. Box 1230 Huntington, Utah 84528 Phone (435)687-5310 Fax (435)687-5311 E-Mail talonsetv.net (A) Marion Energy Inc. (\$89°46'W - 5249.64') Oman #10-29 NOTES: Drill Hole Location Section 29, T13S, R7E, S.L.B.&M. 1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum. Carbon County, Utah Metal Cap (Found) Checked By: L.W.J./A.J.S. N. BUTKOVICH Brass Cap (Searched for, but not found) GRAPHIC SCALE SURFACE ARGET Drawing No. Date: Calculated Corner 9/20/06 AT / LONG AT / LONG A-1Scale: 39°39'31.805"N 39°39'53.768"N ( IN FEET ) 1" = 1000) GLO 111°09'31.231"W III°09'52.392"W 1 inch = 1000 ft.Job No. GPS Measured 2568-A Sheet 1 of 4

34 23, 1135, R/L, S.L.E



### CARBON COUNTY FLANNING AND BUILDING DEPARTMENTS

120 East Main Street • Price, Utah 84501 • (435) 636-3260 • Fax (435) 636-3264

February 9, 2006

Scott Jacoby Marion Energy, Inc. 119 South Tennessee, Suite 200 McKinney, TX 75069

Re: Zone change request and conditional use permit request for six (6) gas wells in the Clear Creek area: Alpine School District 3-17, Oman 14-20, Jacob 5-5, Madsen 2-30, Woolsey 3-31, and Oman 7-19.

Dear Mr. Jacoby:

This is to confirm that the Carbon County Planning Commission met in a regularly scheduled meeting February 7, 2006 to consider Marion Energy, Inc.'s request for a zone change from WS to MR, and for a conditional use permit for six (6) gas wells, as mentioned above.

As you know from having attended this meeting, the requests were approved, with the following additional conditions:

- Use liners for containment ponds, and any diesel tanks
- Berms around sites
- No noise emitted beyond 55 db at 100' from well head; baffle is necessary
- Keep truck traffic through Clear Creek to a minimum
- ' Control'erosion
- No open fires allowed on site, unless attended

We will now submit an ad for the public notice to the Sun Advocate, for which you will be billed, for a public hearing to be held before the County Commission Wednesday March 1, 2006 at 4:30 p.m. in the Courthouse. You may want to attend this meeting to answer any questions which may arise.

Please contact our office if you have any questions.

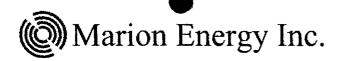
Sincerely.

Gayla M. Williams Zoning Administrator

Cc: Mel Coonrod, EIS

Dave Levanger
Building Official/Director of Planning
636-3261

Lew Korenko
Deputy Building Official
636-3362



October 13, 2006

Utah Division of Oil Gas and Mining ATTN: Diana Whitney 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84116

RE: Oman 10-29 Surface Ownership

Dear Ms. Whitney

Please find the information below regarding the Surface Owner of the Oman 10-29

Oman Ranches LLC C/O Darin Caine 1504 Zenith Ave Salt Lake City, UT (801) 463-2874

If you require any further information, please do not hesitate to contact me at (972) 540-2967 ext. 3008 or email sjacoby@marionenergy.com

Sincerely,

Scott Jacoby Landman

Marion Energy Inc.

119 South Tennessee, Suite 200, McKinney, Texas, 75069 Telephone: (972) 540-2967, Fax: (972) 547-0442

1 1

# Surface Use Plan Mid-Power Resource Corporation Oman 10-29

### Thirteen Point Surface Use Plan

### 1. Existing Roads

- a. The proposed well site is located approximately 1.5 miles north of Clear Creek, Utah and approximately 4 miles South of Scofield, Utah..
- b. Directions to the location from Scofield, Utah are as follows:

Head south from Scofield Utah on Highway 96, approximately ½ mile north of the Village of Clear Creek you will turn right onto Boardinghouse Canyon Road (which is a private road owned by numerous individuals) You will follow Boardinghouse Canyon Road for approximately 1/5<sup>th</sup> of a mile and take the turn off to the right. You will follow this road approximately 4tenths of a mile. You will then come to a clearing where a road will be built to the pad site approximately half a mile from the existing road.

- c. For location of access roads see Maps A & B.
- d. Top map A is the vicinity map showing the access route from Clear Creek, Utah.
- e. Topo map B shows the proposed access road to each well. It also shows existing roads in the immediate area
- f. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- g. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

Planned Access Roads

- a. The access roads to this location will be using an existing private road up the Boardinghouse Canyon
- b. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

### 3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location

- a. Water wells none
- b. Injection wells none
- c. Producing wells Please see topo location map L-1
- d. Drilling wells –Oman 2-32
- e. Shut-in wells Utah Fuel #4; Utah State #1; Utah Fuel #8
- f. For reference please see topo map B

### 4. Location of Tank Batteries and Production Facilities

- a. All permanent structures (onsite for six months or longer) constructed or installed (including pump jacks) will be painted a neutral color to blend with the surrounding environment. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall be surrounded by a containment dike or sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. All loading lines will be placed inside the berm surrounding the tank battery
- d. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced. All buried pipelines shall be covered to a depth of 3ft except at road crossings where they shall be covered to a depth of 4ft.

- e. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.
- f. Any necessary pits will be properly fenced to prevent any wildlife entry.
- g. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- h. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- i. The road will be maintained in a safe useable condition.
- j. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- k. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.

### 5. Location and Water Supply

- a. Any water to be used for the drilling of this well will be from the Price River Water Improvement District (an adjudicated industrial water source) and transported by a local trucking company (Nielson Construction).
  - b. No water wells are to be drilled.

### 6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads in the area. No special access other than for drilling operations and pipeline construction is needed.

- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

### 7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined with a minimum 10mil plastic liner.
- b. The reserve pit will be constructed of sufficient size and capacity for the necessary fluids for drilling and to contain any runoff from the drill site. Pits will not be constructed within intermittent or perennial stream channels.
- c. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill. All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the company representative.
- d. The reserve pit will be constructed in undisturbed material and below the natural ground level.
- e. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling operation and the pit will be fenced during drilling and completion operations.
- e. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- f. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- g. Drill cuttings are to be contained and buried in the reserve pit.

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h. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.

- i. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations.
- j. The produced fluids (other than water) will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

### 8 .Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

### 9. Well Site Layout

a. All cut and fill slopes will be such that stability can be maintained for the life of the activity. The upper edges of all cut banks on the access roads and well pads will be rounded. Cut and fill slopes will be constructed as follows:

Height of Slope	<u>Slope</u>
0-5 feet	3:1
6-10 feet	2:1
Over 10 feet	1-1/2:1

- b. All fills will be free from vegetative materials and will be compacted in lifts no greater than 12 inches in thickness to a minimum of 90 percent Proctor dry density sufficient to prevent excessive settlement.
- c. The working surface of the drill site will be surfaced with crushed gravel to a depth sufficient to support anticipated loads throughout the life of the well. Usually a depth of 12 inches of gravel is anticipated.
- d. A diversion ditch having the minimum dimensions of 3 feet horizontal to 1 foot vertical (3:1 ditch), will be constructed around the site to divert surface waters from flowing onto the site. The ditch will be located at the base of the cut slope and around the toe of the fill slopes (see Drawing No. 1 Construction Requirements of Typical Well Sites). A straw dike will be constructed in the ditch outflow to trap any sediment produced from the raw slopes. A culvert will be necessary where the access road enters the site.
- e. A berm will be constructed around the perimeter of the site to contain all precipitation, spills, and other fluids from leaving the site. The berm will be a minimum of 18 inches high, 12 inches wide at the top, and having 1-1/2:1 side slopes. The site surface will be graded to drain to the reserve pit. The drainage pattern to be constructed will be modified for each site, depending on the site specific conditions.

- f. The reserve pit will be located on the Northwest side of the location.
- g. The stockpiled topsoil (first six inches or maximum available) will be stored along the perimeter of the location as shown on the location platt.
- j. All pits will be fenced to prevent wildlife entry.
- k. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

### 10. Plans for Restoration of Surface

### Dry Hole

- a. Rehabilitation of the entire site will be required and will commence immediately after the drilling is complete. The site will be restored as nearly practical to its original condition. Cut and fill slopes will be reduced and graded to conform to the adjacent terrain.
- b. Drainages will be reestablished and temporary measures will be required to prevent erosion to the site until vegetation is established.
- c. Generally speaking, the standpipe for well identifications will be removed on National Forest lands. A final determination will be made on a case-by-case basis.
- d. After final grading and before the replacement of topsoil, the entire surface of the site shall be scarified to eliminate slippage surfaces and to promote root penetration. Topsoil will then be spread over the site to achieve an approximate uniform, stable thickness consistent with the established contours.
- e. A temporary fence will be constructed around the site until vegetation is established. The fence will then be removed.
- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

### **Producing Location**

a. Site reclamation for producing wells will be accomplished for portions of the site not required for the continued operation of the well. All disturbed surface will be treated to prevent erosion and to complement the esthetics of the area.

A new site plan will be required encompassing the facilities required for operation and interim reclamation measures.

- b. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- c. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- d. The plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.
- e. At the end of drilling operations, drilling fluids will be hauled to an approve disposal site. All polluting substances or contaminated materials, such as oil, oil-saturated soil, and gravel, will be buried within a minimum of 2 feet of clean soil as cover or be removed from the Forest.
- f. Once the reserve pit is dry, the reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- g. The cut and fill slopes and all other disturbed areas not needed for the production operation will be topsoiled and re-vegetated. The berm will be removed and the site graded to drain.
- h. The site will be seeded and/or planted as prescribed by the surface owner. This prescription will be determined prior to site construction on a site specific basis. Nutrients and soil amendments will be applied to the redistributed surface soil later as necessary to meet the re-vegetation requirements. Fall seeding will be completed after September, and prior to prolonged ground frost.
- i. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application will be in cooperation with Forest Service personnel.

### 11. Surface Ownership

Access Roads – All roads to the location are located within the area of ownership of Clear Creek Home Association, and Oman Ranches.

Well Pad – The well pad is located on lands owned by the Oman Ranches LLC C/O Mr. Darin Caine.

### 12. Other Information

- a. A Class III cultural resource inventory will be completed prior to disturbance by a qualified professional archaeologist.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator to:
  - i. whether the materials appear eligible for the National Register of Historic Places;
  - ii. the mitigation measures the operator will likely have to undertake before the site can be used (assuming the site preservation is not necessary); and
  - iii. a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- c. Less than 10,000 pounds of any chemical(s) from the EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, as defined in 40 CFR, would be used, produces, transported, stored, disposed, or associated with the proposed action.
- d. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

- e. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- f. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.h.
- g. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
  - h. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.
  - i. The operator or his contractor shall contact the U.S. Forest Service at 801-637-2817 48 hours prior to construction activities.

### 13. Lessee's or Operator's Representative and Certification

### Permit Matters

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Marion Energy Inc./Mid-Power Resource Corp.
Keri Clarke
119 S. Tennessee Suite 200
McKinney, TX, 75069
(972)540-2967

Drilling & Completion Matters
Marion Energy Inc./Mid-Power Resource Corp.
2901 East 20<sup>th</sup> Street
Farmington, NM, 87402
Doug Endsley – V P Operations
(505)564-8005

### Certification

I hereby certify that I, or Persons under my direct supervision, have inspected the proposed drill site and access rout; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Marion Energy Inc. and it's contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

10/13/08

Date

Name

## Marion Energy, Inc.

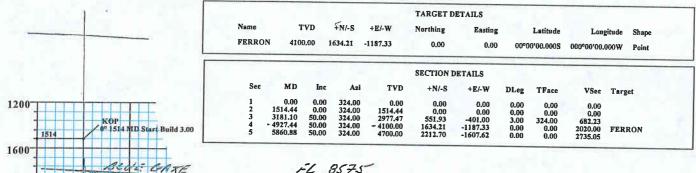
### OMAN #10-29 **SECTION 29-T13S-R7E** CARBON COUNTY, UTAH

### PRELIMINARY PLAN



## Weatherford

21 1 1/2+ ac



#### FIELD DETAILS

Carbon County UTM 27 UTAH

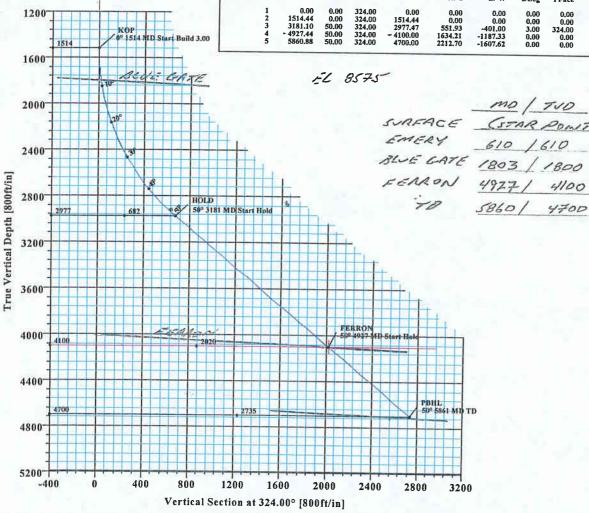
Geodetic System: Universal Transverse Mercator Ellipsoid: NAD27 (Clarke 1866)

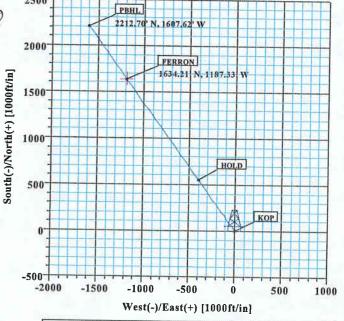
Zone: UTM Zone 12, North 114W to 108W

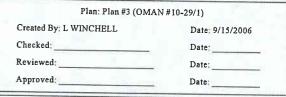
Magnetic Model: igrf2005

10 - 40, 1 0

System Datum: Mean Sea Level Local North: Grid North







# ONSHORE OIL & GAS ORDER NO. 1 Drilling Plan Oman #10-29

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

### 1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

Name	TVD	MD	Production Phase	
Top of Blue Gate	1800ft	1803ft	Gas	_
Top of Ferron	4100ft	4927ft	Gas	
TD	4700ft	5860ft		

### 2. Estimated Depth of Oil, Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	 1	ì	<u>Formation</u>	Depth
Gas			Ferron	4100'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sand will be reported to the BLM in Moab, Utah. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

### 3. BOP Equipment

Marion Energy Inc's minimum specifications for pressure to control equipment are as follows:

Ram Type: 11" Hydraulic double: 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approve stack working pressure if isolated by test plug or to 70 percent of internal yield pressure

of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline is pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 60 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 40-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable ads designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface

casing plug and will remain in use until the well is completed or abandoned. The Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report.

Preventers will be pressure tested before drilling casing cement plugs.

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when initially installed

on the in objection

Pressure tests shall apple

The Price River Resource Area Office shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 3000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is <u>not</u> to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit <u>all</u> tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

### 4. Casing and Cementing Program

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- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fractured of gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

  Less observable in dienal and the control of the con
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot to the objective section of the objective
- the hole/casing annulus, with recognition that variances can be granted for an experience of the hole exceptions.

- e.! All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
  - f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
  - g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
  - h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
  - i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
  - j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
  - k. All casing strings below the conductor shall be pressured tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
    - m. On all exploratory wells, and on that portion of any well approved for 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
  - n. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	Hole Size	O.D. Weight	<u>Grade</u>	<u>Type</u>	New or Used
Surface	0-500'	14 1/4"	10 3/4"40.50#	J-55	ST&C	New
Intermed.	0-1850'	9 7/8"	7-5/8" 26.4#	J-55	LT&C	New
Produc.	0-5860'	6 3/4"	5-1/2" 17#	J-55	LT&C	New

- o. Casing design subject to revision based on geologic conditions encountered.
- p. Please refer to DOGM Form 3 for the Cement program associated with this well.

- q. The price River Resource Area Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- s. The following reports shall be filed with the District Manager within 30 days after the work is completed.
  - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
    - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
    - b. Temperature of bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- t. Auxiliary equipment to be used is as follows:
  - 1. Kelly cock
  - 2. No bit float is deemed necessary.
  - 3. A sub with a full opening valve.

### 5. Mud Program

a. The purpose circulating mediums to be employed in drilling are as follows:

Interval Mud Type Mud Wt. Visc. F/L PH See 0-TD Air/Foam N/A N/A N/A --

There will be sufficient mud on location to control a blowout should one occur.

#### MEMORANDUM OF SURFACE USE AGREEMENT

#### KNOW All MEN BY THESE PRESENTS:

That Darin Caine (Caine) signing individually and on behalf of Milton A. Oman LTD., and its General Partner, Oman Ranches, LLC, whose address is 1504 Zenith Ave. Salt Lake City, UT 84106, ("Grantor") and Mid-Power Resource Corporation, represented by its authorized agent Marion Energy Inc. (Mid-Power), whose address is 119 South Tennessee, Suite 200, McKinney, Texas, 75069("Grantee") have entered into a Surface Use and Damage Agreement dated effective as of March 1, 2006 ("Agreement").

The Agreement, which is unrecorded and may be found in the files of the Grantor and Grantee, is adopted herein and made a part hereof by reference to the same full extent as if all its provisions were copied in full in this Memorandum.

Pursuant to the terms of the Agreement, Grantor grants to Grantee and all of its parent, subsidiary, or other affiliated companies, their agents, employees and others authorized by them the right-of-way to use the Property described in Exhibit A and shown in Exhibit A1, attached hereto and made a part of this Memorandum ("Property"), for the purpose of access to and from mineral leases it owns and operates underlying and in the vicinity of the Property ("Leases"), for well locations, pipelines, power lines and other facilities related to its conduct of operations pursuant to the Leases.

This Memorandum shall be binding on and inure to the benefit of Grantor and Grantee, their respective heirs, administrators, successors and assigns.

The parties hereto have executed this Memorandum as of the dates of the respective acknowledgements.

GRANTUR:

Trans. Co.

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Darin Caine,
Signing Individually and on behalf
of Milton A. Oman LTD., and its
General Partner Oman Ranches, LLC
1504 Zenith Ave

Salt Lake City, UT 84106

Marion Energy Inc., Authorized Agent For Mid-Power Resource Corporation 119 S. Tennessee, Suite 200 McKinney, Texas, 75069

### **EXHIBIT A**

ATTACHED TO AND MADE A PART OF THAT CERTAIN MEMORANDUM OF SURFACE USE AGREEMENT DATED AS OF MARCH 1, 2006 BY AND BETWEEN MILTON A. OMAN, LTD., AS GRANTOR AND MID-POWER., AS GRANTEE.

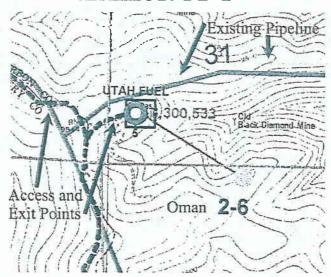
Five two-acre drill/pad sites to be constructed for the purpose of drilling five wells on Grantor's property with surface locations located as described below and further illustrated in exhibit A1:

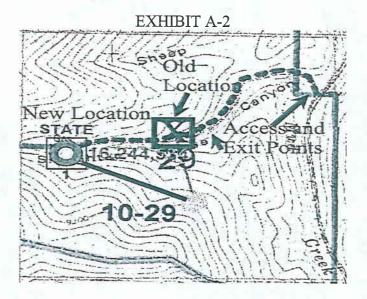
Oman 14-20 Section 20 T13S-R7E
Oman 10-29 Section 29 T13S-R7E
Oman 7-19 Section 19 T13S-R7E
Oman 3-32 Section 32 T13S-R7E
Oman 2-6 Section 31 T13S-R7E

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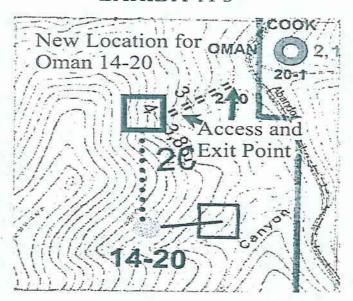
2330'FWL, 1980'FNL / NW/4 796'FWL, 2565'FNL/ NW/4 70'FWL, 1452' FNL/ SW/4 1400'FWL, 825'FNL/ NW/4 645' FWL, 1452'FNL/ SW/4

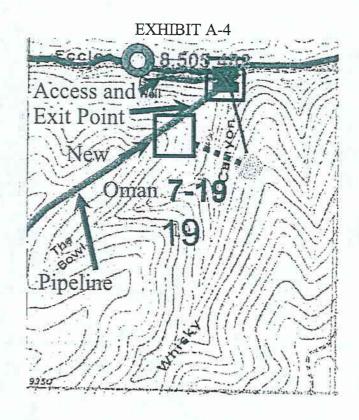
## Exhibit A-1



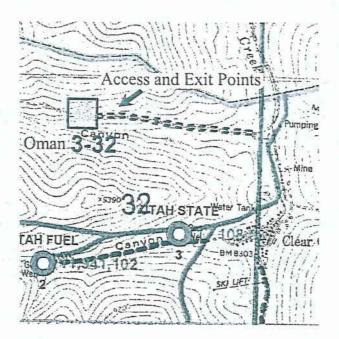


### EXHIBIT A-3





### EXHIBIT A-5



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Bond No. B001617

(5/2002)

## STATE OF UTAH

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DEPARTMENT OF NATURAL RESOUR	RCES
DIVISION OF OIL, GAS AND MI	NING

One Hundred Fifty Thousand and no/100  Industrial Thousand and no/100  One Hundred Fifty Thousand and no/100  Industrial Thousand	
(surety name) U.S. Specialty Insurance Company and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:  One Hundred Fifty Thousand and no/100 lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successeverally by these presents.  THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrift repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for itel or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:  Well No:  Blanket Bond:  To cover all wells drilled in the State of Utah  Individual Bond:  Well No:  Section:  Township:  Range:  County:  Utah  NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and aband and well site restoration, then this obligation is voic; otherwise, the same shall be and remain in full force and effect.  IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its officers and its corporate or notary seal to be affixed this  August 28, 2005  Attestee:  MARY LOUHOLDER  MARY LOUHOLDER  MY COMMISSION EXPIRES  August 28, 2005  Attestee:  Marion Energy Inc.  Principal (company name)  Find Company name)  Signature  Name (print)  Signature  Name (print)  Aday of March	
(surety name) U.S. Specialty Insurance Company and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:  One Hundred Fifty Thousand and no/100	as Principal,
One Hundred Fifty Thousand and no/100  lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah brot the State of Utah for oil or gas production and/or the Injection and disposal of fluids in connection therewith for the following described land or well:    The Condition of This Obligation is SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrifted repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:    Well No:	duly authorized
THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrifted in the state of Utah in the State of U	
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Individual Bond: Well No:	ling, deepening, the purposes of
NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and aband and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.  IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its officers and its corporate or notary seal to be affixed this  31	
NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and aband and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.  IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its officers and its corporate or notary seal to be affixed this  31	
NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and aband and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.  IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its officers and its corporate or notary seal to be affixed this  31	
NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and aband and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.  IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its officers and its corporate or notary seal to be affixed this  31	
Attestee: The Date: 4/5/05  Name (print)  Name (print)  Name (print)  Signature  IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate be affixed this  day of March, 20_05	duly authorized
IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corpora to be affixed this  31 day of March , 20_05	
, 20_00	te or notary seal
(Corporate or Notary Seal here)  U.S. Specialty Insurance Company Surety Company (Attach Power of Attorney)  Edwin H. Frank, III Attorney-in-Fact Name (print)  Signature	
Attestee: Due Pour Date: 3 31 05  13403 Northwest Freeway Surety Mailing Address	7040
Houston Texas 77 City State Zip	7040

### Important Notice Regarding Terrorism Risk Insurance Act of 2002

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In accordance with the Terrorism Risk Insurance Act of 2002 (the "Act"), this disclosure notice is provided for surety bonds on which U.S. Specialty Insurance Company is the issuing surety.

The premium attributable to any bond coverage for "acts of terrorism" as defined in Section 102(1) of the Act is Zero Dollars (\$0.00).

The United States will reimburse the Issuing Sureties for ninety percent (90%) of any covered losses from terrorist acts certified under the Act exceeding the applicable surety deductible.

The actual coverage provided by your bond for acts of terrorism, as is true for all coverages, is limited by the terms, conditions, exclusions, penalties, limits, other provisions of your bond and the underlying contract, any endorsements to the bond and generally applicable rules of law. This Important Notice Regarding Terrorism Insurance Risk Act of 2002 is for informational purposes only and does not create coverage nor become a part or condition of the attached document.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY, IF WRITTEN, FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM, WILL BE EXCLUDED IF THE U.S. GOVERNMENT FAILS TO ENACT AN EXTENSION TO TRIA OR ENACTS CHANGES TO TRIA THAT SUBSTANTIALLY CHANGE THE RISK OF LOSS THAT AN INSURER OR POLICYHOLDER HAS ASSUMED.

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4-4

### POWER OF ATTORNEY

PA001617

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U. S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation dufyour All Men organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by goinged and extense presents make, constitute and appoint

### Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to executes true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to executes true and lawful acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars (\$3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the Executive Vice3,000,000) and President, sealed with the corporate seal of the Company and duly attested by its Secretary, thereby ratifying and confirming that the exident, sealed Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of their Attorney in Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with fuffe it Resolved, the power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following were and authority provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company 100 execute, acknowledge and deliver, any and all bonds, torney in Fact to recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the option of company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President undertaking and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating "It Keepheed, are thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to reto by the same any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, U. S. SPECIALTY INSURANCE COMPANY has caused these presents to be signed by its Executive Vice Witness Wit

Corporate Seal

State of Tayna

County of Harris

SS:

U. S. SPECIAL TX INSURANCE COMPANY
By

Edward H. Ellis, Jr., Executive Vice President

r., to me known, who, being by me duly sworn, dide this 15<sup>th</sup> de

On this 15th day of March, 2005 before me personally came Edward H. Ellis, Jr., to me known, who, being by me duly sworn, did this 15th day depose and say, that he resides in Houston, Texas, that he is Executive Vice President of U. S. SPECIALTY INSURANCE and say COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the MARANY is seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and it aims to signed his name thereto by like order.

Notary S

SHERRI GIBSON MY COMMISSION EXPIRES October 17, 2005

Notary Public

My commission expires 10-17-95

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 31st day of March \_\_\_\_\_\_, 20 05.

Corporate Seal

ristopher L. Martin, Secretary

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### PA001617

### **POWER OF ATTORNEY**

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U. S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation duffy All Men organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by an existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by an exist make, constitute and appoint

### Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, full and have acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars (000,000) and (\$3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the Executive Vice (000,000) and President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the sident, sealed said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President shall be believed to the President shall

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, U. S. SPECIALTY INSURANCE COMPANY has caused these presents to be signed by its Executive Vice Witness Where President, and its corporate seal to be hereto affixed this 15th day of March, 2005.

Corporate Seal

U. S. SPECIAL TX INSURANCE COMPANY By

tate of Texas

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errorate Scal

orporate Seal

State of Texas

County of Harris

ss:

Edward H. Ellis, Jr., Executive Vice President

On this 15th day of March, 2005 before me personally came Edward H. Ellis, Jr., to me known, who, being by me duly sworn, didn this 15th day depose and say, that he resides in Houston, Texas, that he is Executive Vice President of U. S. SPECIALTY INSURANCE have a company described in and which executed the above instrument; that he knows the seal of said Company; that the MARAY, the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and all affixed to see that he signed his name thereto by like order.

Notary

SHERRI GIBSON MY COMMISSION EXPIRES October 17, 2005

Bridge Bridge College

My commission expires 10-17-05

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing Christopher I is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the above and of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 31st day of March , 20 05.

Corporate Seal

hristopher L. Martin, Secretary

N. R. R. F. B. B. F. A. R.	PERFORMANCE BOND	DATE BOND EXECUTED (M. contract)	lust be same or later than date of		1 ( ) ( )
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#### **POWER OF ATTORNEY**

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U. S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

#### Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars (\$3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President; any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with fully and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following is one:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, not recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating in by facious any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on fully 7, 2003.)

In Witness Whereof, U. S. SPECIALTY INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 19<sup>th</sup> day of January, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY

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orporaic Seal

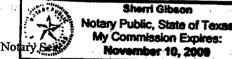
State of Texas

County of Harris

SS:

Michael J. Schell, President

On this 19<sup>th</sup> day of January, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did this 19<sup>th</sup> depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



My commission expires 11-10-09

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 12th day of April 2006.

Corporate Seal

Christopher L. Martin, Secretary

REPRODUCTION

SPECIALTY INSIGNATION BEGINNERS IN

## Bond No. B002776 " with bonds issen

SPECIALTY INSURANCE COMPANY "Comeany", a company c of liexas, and having its principal three will Midney on Harris Course Trans-

HAWS AR Men by These Presents That, U. S. Steet 141 13 1912 a 1901 non existing under the large of the State of Texas, and the on the e make, constinue and ampoint

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January, 2006

with full Agrordey in fam, with full power and a power and anthonicy hereby conferred in its name, place and stead to and No. B002776 on behalf of bonds a part of Bond No. B002776 on behalf of bonds are an accordance.

Marion Energy Inc. as principal and executed by U.S. Specialty Insurance

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Effective date of bond: 04/12/2006

Sistant Vice President, Ely Sourciary of any Action Secretary shall be with the first of the state of charge of 65/31/2006

and in the nature of said of hishalf of the Co operty, to execute, a knowledge and delices, was a contract of conducted of obligatory In Consideration of the mutual agreement herein contained, the principal and the surety hereby consent to the following changes:

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thing of the seef. U. S. SPECIALTY IMPRIES 6001 For the ANCE COMPANY has con The penalty amount has increased from:

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SIGNED, SEALED AND DATED THIS: May 31, 2006

Marion Energy Inc.

Name of Principal

Signature

KERI CLARKE.

VICE PRESIDENT - LAND

Name and title of per executing for Principal

Cheb Sopher La Minrein, Science

U.S. Specialty Insurance Company

Signature

W. Russell Brown, Jr. Attorney-in-Fact Name and title of person

executing for Surety

#### POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U. S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation deliganized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, doesn's e presents in these presents make, constitute and appoint

#### Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to executeknowledge a acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyshipitelude riders include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars, (\$3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed the corpor with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney bact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors the U.S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with fulforing power; and authoring the angle of the Company subject to the following resons as Attorney(s)-in-Fact to represent and authority and an health of the Company subject to the following resons!

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bondsognizances, control company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, U. S. SPECIALTY INSURANCE COMPANY has caused these presents to be signed by its President, and to porate seal to be hereto affixed this 19th day of January, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY

By

State of Texas

County of Harris S8:

Michael J. Schell, President

On this 19<sup>th</sup> day of January, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, dichose and say, depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company cribed in and described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto like order.

Notary Public, State of Texas
My Commission Expires:
Notary Sea.
November 10, 2009

My commission expires 1-10-09

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing the and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the olutions of the Roard of Directors, set out in the Power of Attorney are in full force and effect.

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wr .	In Witness May	Whereof, I	have hereunto	set my hand a	and affixed the s	seal of said Con	mpany at H	ouston, Texas	this <u>31st</u> d	ay of May
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Corporate Sea

Christopher L. Martin, Secretary



# United States Department of the Interior That, U. S. S. Land Land States Department of the Interior That, U. S. S. Land Land Constitute and appoint BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155

Salt Lake City, UT 84145-0155 lawful Attorney-in-fact, with full move ernony was and classify or the with the riette amendments, and concerts as .

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(UT-924)

valies in a REPLY REPERTOCYLE and combining the send of the premises. Said appointment is made and is made un. 3 104 aborty of the foliopoing resolution. Co. 1 of all irrectors no to Sanadalty Insurance Company He a Real fact the Bresident, any Vice President, ony vested a margareaux Assistant accremits shall also a vested a margareaux and annote appoint any one of more suitable per

DECISION to an analytic given full power and authority for and in the tacts, agreements or indemnity and other conducts County in the Company and all the said decided the dispersion of implementary at a popular thereunder, and any such instruments so the country of the Countr

Principal:

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Marion Energy Inc. 119 S. Tennessee, Suite 200 McKinney, TX 75069

the day of the same and any namer of programs of an in the same and any namer of programs of an in the same and the same a

Bond Type: Statewide

tanelika er et any les oraset filese mérce, les respectes el

Bond Surety No.: B001632 this 19th day of

Surety:

U. S. Specialty Insurance Company 13403 Northwest Freeway har I want to

e) the action to resemble and action and on rehalf of the fore-mornishing to the fore-many contents

BLM Bond No.: UTB000179

Houston, TX 77040

#### Statewide Oil and Gas Surety Bond Accepted

The state of the s On April 12, 2005, this office received a \$25,000 statewide oil and gas bond for the principal named above. The bond has been examined, found satisfactory, and is accepted effective the date of filing.

The deal to the but the service of the service of the service that he recides in Houston. The bond constitutes coverage of all operations conducted by the principal on Federal leases in Diah. The bond provides coverage for the principal where that principal has interest, and or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Please note that Federal leases do not include Indian leases. Street Land Short Cibaco married

with a widary Public, State of Terms The bond will be maintained by this office. Termination of liability under the bond will be permitted only after this office is satisfied that there are no outstanding liabilities against the bond or third a satisfactory replacement bond is furnished.

Terry Cathin was on the Board of Directors, set out in the Por

Acting Chief, Branch of

Fluid Minerals

THE PROPERTY OF THE

#### UNITED STATES Form 3000-4 UNITED STATES (Mine 1988) THE INTERIOR BUREAU OF LAND MANAGEMENT

B001632 OIL AND GAS OR GEOTHERMAL LEASE BOND

Act of February 25, 1920 (30 U S.C. 181 et seq.)

Act of February 25, 1920 (30 U S.C. 181 et seq.)

Comparison of the Interior Appropriations Act, FY 1981 (42 U

Act of December 24, 1970 (30 U.S.C. 1001-10 Other Oil and Gas and Geothermal Leasing Authorities	OF) Lance Count Must	(For Individual Bond Only)
CHECK ONE: SOIL AND GAS GEOTHERMAL RESO	III A SAVERA	лиск (
CHECK ONE:  SURETY BOND	TO THE PARTY OF TH	CHECK (
KNOW ALL BY THESE PRESENTS. THAT Marion Energy Inc.	Francisco	A WOW A
119 S. Tennessee, Suite 200, McKinney, Texas 75069	(name)	magnitud for the second of the
as principal, and U.S. Specialty Insurance Company	AND STREET BY COLUMN	A.A. 1. A. m. principi
	<b>1c)</b>	Control of the Contro
of13403 Northwest Freeway, Houston, Texas 77040	of Francisco	134
of	1 (6441-61)	, as surety,
	Thousand and no/100	hild e
	5,000.00 · THE HOLD HAVE - 17	
dollars (\$	3,000.00	
lawful money of the United States, which may be increased or decreased by a rider hereto ex	xecuted in the same manner as this bond.	'≁ : 6≇ пко
PERSONAL BOND AT TO THE CONTROL OF THE PERSONAL BOND AT THE PERSONAL BON	The state of the s	PERS
KNOW ALL BY THESE PRESENTS, That	L ik ik	KNOW A
1	(name)	
of (address)		as principal, is held and firmly
the water of the first control of the control of th	* **	-
bound unto the United States of America in the sum of	The bond re-	· · · · · · · · · · · · · · · · · · ·
direct frequency of the fitter of the state		the control of the control of
		nited States which sum may be
increased or decreased by a rider hereto executed in the same manhel as this bond.		· ·
The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby to the amount specified. The principal, pursuant to the authority conferred by Section 1 of the Act of Sept of the Interior to act as his attorney. The interest accruing on the United States securities deposited, in the a forth in this bond and the instrument(s) granting rights and interests in Federal lands, must be paid to the pri successors, and assigns, joint and severally, ratifies and reprinting whatever the Secretary shall do by virtual to the printing state of the state of the secretary shall do by virtual to the state of the secretary shall do by virtual to the secretary shall be secretary shall	piedges as security therefore United States negot imber 13, 1982-(31 U.S.C. 9303), does hereby beence of any default in the performance of any neipal. The principal hereby for himself/herself, a e of these presents.	able securities of a par value equal the same onstitute and appoint the Secretary life interns of the conditions, or stipulations setorth in this my heirs, executors, administrators; uccessors,
The principal/surety shall apply this bond or the Secretary shall transfer this deposit as security for the faith bond and the instruments granting rights and interests in Federal lands. In the case of any default in the perfor a Surety Bond, the surety/principal shall apply the bond or any portion thereof, (2) for a Personal Bond, it or any portion thereof, to the satisfaction of any idamages, assessments, late payment charges, penalties, or	hful performance of any and all of the conditions formance of the conditions and stipulations of such be Secretary shall have full power to assign, apper or deficiencies arising by reason of such default.	and stipulations as set forth in this me and the principal to the number of the strength of th
This bond is required for the use and benefit of (1) the United States, (2) the owner of any of the land subject with a reservation of the oil and gas and geothermal deposits to the United States; (3) any lessee, permittee, to by the United States covering the same land subject to this bond, covering the use of the surface or the prost to be paid to the United States. For such payment, well and truly to be made, we bind ourselves and each o	to the coverage of this bend who has a statutory	tins pone
This bond shall cover all surface disturbing activities related to drilling operations on a Federal leasehold(s		
CHECK ONE-Way and the control of the Appendix of the Control of th	y in accordance with authorization(s) granted uni	icr the Acts cited above for:

	20.00		
	NATIONWIDE BOND		
			in Alaska (NPR-A) when a rider sufficient to bring the amount in conformance with 43 CFR 3134 is provided, and provided a rider is obtained, also coverage of multiple exploration operations
<u> </u>	STATEWIDE BOND		Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s), except the NPR-A, and, provided a rider is obtained, also coverage of multiple exploration operations within the single state of Ulah
	و په د د د د د د د د د د د د د د د د د د	i,	coverage of multiple exploration operations within the single state of Utah
	INDIVIDUAL BOND	_	Operations conducted by or on behalf of the principal or on the leasehold of the principal on the single lease identified by the serial number above.
	9444-5-4	1.2	of the principal of the principal of the leasehold of the principal on the single lease identified by the serial number above,

NATIONAL PETROLEUM RESERVE IN ALASKA (NPR-A) BOND — This bond shall cover NPR-A LEASE BOND - The terms and conditions of a single lease NPR-A LEAS O NPR-A WIDE

NPR-A WIDE BOND — The terms and conditions of all leases, and provided a rider is obtained, coverage of multiple exploration operations

(Continued, on reverse)

Commued on re

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(June 1988)...

#### BOND CONDITIONS

The conditions of the foregoing obligations are such that

- 1. WHEREAS the principal has an interest in a lease(s) and/or responsibility for operations on a lease(s) issued under the Acts cited in this bond, and
- 2 WHEREAS the principal and surety agree(s) that with notice to the surety the coverage of this bond, in addition to the present holding(s) of and/or authorization(s) granted to the principal, shall extend to and include
- Any lease(s) hereafter issued to or acquired by the obligor/principal, except under individual lease bonds, the coverage is to be confined to the principal's holding(s) and/or authorization(s) granted under the Acts cited in this bond, and to become effective immediately upon such authorization, approval or issuance of a transfer in favor of the principal; and
- b Any transfer(s) of operating rights hereafter entered into or acquired by the principal affecting lease(s), and
- c Any activity subsequent hereto of the principal as operator under a lease(s) issued pursuant to the Acts cited in this bond, and

Provided, That the surety may elect to terminate the additional coverage authorized under this paragraph. Such termination will become effective 30 days after the BLM receives notice of the election to terminate. After the termination becomes effective, the additional interest(s) identified in this paragraph will not be covered by this bond.

- 3 WHEREAS the principal and surety agree(s) that with notice to the surety that this bond shall remain in full force and effect notwithstanding. Any assignment(s) of an undivided interest in any part or all of the lands in the lease(s) in which event the assignee(s) shall be considered to be coprincipal(s) on an individual or NPR-A bond as fully and to the same extent as though his/her or their duly, authenticated signatures appeared thereon, and
- 4. WHEREAS the obligor/surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding.
- a Any assignment(s) of 100% of some of the lands described in the lease(s), the bond to remain in full force and effect only as to the lands retained in the lease(s), and
- b Any transfer(s) either in whole or in part, of any or all of the operating rights and further agrees to remain bound under this bond as to the interests in the operating rights retained by the principal, and
- e Any modification of a lease or operating right, or obligation thereunder, whether made or effected by commitment of lease or operating right to unit, cooperative, communitization or storage agreements, or development contracts, suspensions of oper-

suspensions or changes in rental, minimum royalty macrations on a and royalties, compensatory royalty payments, or otherwise, and

- d. Any extension of a lease(s) covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease(s); and & wincd to the
- 5 WHEREAS the principal and surety hereby agree(s) that notwithstanding the termination, expiration, cancellation of relinquishment of any lease(s), whether by operationer individus ation of law or otherwise, the bond shall remain in full force and effect as to the 28(s) 200/03 ation terms and conditions of all remaining leases and obligations covered by the bond, and
- 6 WHEREAS the principal, as to any lease or part of a lease for land on which he/she is the operator, in consideration of being permitted to furnish this bond in lieu of the lessee(s) or operating rights owner(s), agrees and by these presents does hereby bind himself/herself to fulfill on behalf of each lessee or operating rights owner all obligations of such for the entire leasehold in the same manner and to the same extent as though he/she were lessee or operating fights owner, and
- 7. WHEREAS the obliger principal and surety agree(s) that the neglect or forbear- royaled, That ance of said lessor in enforcing, as against any responsible party, the payment of under this parag rentals or royalties or the performance of any other term or condition of the lease(s) shall not, in any way, release the principal and stricty, or either of them from any ile additional ne liability under this bond; and
- 8. WHEREAS the principal and surety agree(s) that in the event of any default under the lease(s) the lessor may commence and prosecute any claim, suit, or other proceeding against the principal and surety or either of them, without the necessity of joining the lessee(s), and
- 9 WHEREAS if the principal fails to comply with any provisions of an oil and gas lease, and the noncompliance continues for thirty (30) days after written notice thereof, such lease shall be subject to cancellation and the principal shall also be subject to applicable provisions and penalties of the Federal Oil and Gas Royalty Management Act (30 U.S.C. 1701 ct. seq.) or the Federal Onshore Oil and Gas Leasing Reform Act. This provision shall not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default.
- 10 NOW, THEREFORE If said principal, his/her heirs, executors, administrators, successors, or assigns shall in all respects faithfully comply with all of the provisions of the instrument(s) granting rights and interests in Federal lands referred to above, then the obligations are to be void, otherwise to remain in full force and effect. Miles system as assessed a con-

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Signed this day of April	specification in the presence of
NAMES AND ADDRESSES OF WITNESSES	Marion Energy Inc.
BJEV (MAKION ENERGY)	
PP90011(D) (NICOM 9NOW)	(Principal)
The property of conference of a track to the property of the section of the secti	119 Sy Jeones Settle 200; McKinney, Texas 75069
Molly Battenfield Phely Dail &	W. July Dely
Diane E. Carey: A Me E Car.	W. Russell Brown, Jr., Attorney-in-Fact Serety) U.S. Specialty Insurance Company 13403 Northwest Freeway, Husson, Texas 77040
If this bond is executed by a corporation, it must bear the seal of that corporati	(Rusiness Address)
y a superission, a must bear the sear of that corporati	ON SOLE. GOVERNMENT (PRINTING DECIME 1900 777

Important Notice Regarding

Terrorism Risk Insurance Act of 2002

of the foregoing oblin-

the principal has so in the control of the control

In accordance with the Terrorism Risk Insurance Act of 2002 (the "Act"), this disclosure notice is provided for surety bonds on which U.S. Specialty Insurance Company is the issuing surety clied in this cond. and

The premium affributable to any bond coverage for "acts of terrorism" as defined in Section 102(I) of the Act is Zero Dollars (\$0.00).

The United States will reimburse the Issuing Sureties for ninety percent (90%) of any covered losses from terrorist acts certified under the Act exceeding the applicable surety deductible on and

The actual coverage provided by your bond for acts of terrorism, as is true for all coverages, is limited by the terms, conditions, exclusions, penalties, limits, other provisions of your bond and the underlying contract, any endorsements to the bond and generally applicable rules of law. This Important Notice Regarding Terrorism Insurance Risk Act of 2002 is for informational purposes only and does not create coverage nor become a part or condition of the attached document.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY, IF WRITTEN, FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM, WILL BE EXCLUDED IF THE U.S. GOVERNMENT FAILS TO ENACT AN EXTENSION TO TRIA OR ENACTS CHANGES TO TRIA THAT SUBSTANTIALLY CHANGE THE RISK OF LOSS THAT AN INSURER OR POLICYHOLDER HAS ASSUMED.

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#### PA001632

#### **POWER OF ATTORNEY**

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

these presents make, constitute and appoint	its principal office in Houston, Harris County, Texas, does by canized and these presents
ism Risk Inggroups Act of hittie Edwin H. Frank III, W. R.	ussell Brown, Jr. b
(\$3,000,000) and to bind the Company thereby as fully and to the same to have a said Attorney-in-Fact may do in the premises. Said appointment is man a Board of Directors of the U. S. Specialty Insurance Company:	kings or other instruments or contracts of suretyship to the bond penalty does not exceed Three Million Dollars had a fider e extent as if such bonds were signed by the Executive Vice 3,000,000) at ted by its Secretary hereby faithing and confirming that the esident, see the delivery of the following resolutions of the Account Board of Direct Confirming that the secretary of the following resolutions of the following r
Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to provisions:	Secretary or any Assistant Secretary shall be and is hereby vested with fulle it Resolved, to represent and act for and on behalf of the Corneany subject to the following were and authority to the following with the corneany subject to the corneany subjec
recognizances, contracts, agreements or indemnity and other conditional or obligatory und Company's liability thereunder, and any such instruments so executed by any such Attorn and scaled and effected by the Corporate Secretary.	rey-in-Fact shall be binding upon the Company as if signed by the President and such a applications and significant specific and specific an
in the state of th	lieu of meeting on July 7, 2003.)  COCCLIFFE The applicable street and repetitions with the caused these presents to be signed by its Executive Vica Witness Winess Witness Wi
President, and its corporate seal to be hereto affixed this 15th day of Mar	ch, 2005. President, and
	S. SPECIALTY INSURANCE COMPANY Sporate Sea
By	
d and reusially applicable with the factory is	more ements to the bond and products.
Fig. 1. 110 for. Lostin CO para la la la latin de la la County of Harris la lastin ss:  Ly faut (loggi palaciente complete complete la lastin la l	Edward H. Ellis, Ir., Executive Vice President
On this 15th day of March, 2005 before me personally came Edward H depose and say, that he resides in Houston, Texas, that he is Exec COMPANY, the company described in and which executed the above is seal affixed to said instrument is such corporate seal; that it was so affire that he signed his name thereto by like order.  Notary  SHERRI GIBSON  MY COMMISSION EXPIRES October 17, 2005	nstrument; that he knows the seal of said Company; that the MPANY, ted by order of the Board of Directors of said Company; and he fixed to that he signed.  Notary Public  My commission expires
I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE is a true and correct copy of a Power of Attorney, executed by said Corresolutions of the Board of Directors, set out in the Power of Attorney are	npany, which is still in full force and effect; furthermore, the frac and co

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 17th day of the day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas this 17th day of the seal of said Company at Houston, Texas the said Company at Houston

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Corporate Seal

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Christophe L. Martin, Secretary

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#### Bond No. B001632d with home

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The District of the U.S. Specially Insulance Company

#### core also filled the These Presents Inst. U.S. Et as St. In RIDER and existing under the law, of the comment

n It brank III. W. R. To be attached to and form a part of Bond No. B001632 on behalf of the analytic state of T. Marion Energy Inc. as principal and executed by U.S. Specialty Insurance Company, as surety.

satisfy and to the same extent as it shall be not be the company of the company thereby as fair, and the same of the same of the company thereby as fair, and the same of the company and the company are company and the company and the company and the company and the company are company and the company are company and the company and the company are company are company and the company are company are company are company and the company are comp in appointment is not Effective date of change. July 24, 2006

me as Allemey(s)-in-Fact to In consideration of the mutual agreement herein contained, the principal and noting the name of and of heithe surety, hereby consent to the following changes: may be given full power and authority for a consent to the state of the surety hereby consent to the following changes:

The **Amount of the bond** changed from:

ming rational step at the step To subject the state of the To subject the state of the subject the state of the subject the subject to the subject the subject to the subjec

. Nakaniya wakan Telimbea iyewakikibarin, kisikita ji enili yakin elemi

One Hundred Thirty-five Thousand and 76/100 (\$135,000.00)

This rider is being submitted to comply with 43 CFR 3101.1 which states ".... Prior to commencement of surface disturbing activities related to drilling operations, the lessee, operating rights owner, or operator shall submit a personal bond, conditioned upon compliance with all of the terms and conditions of the leasehold covered by the bond."

This rider extends coverage for the sole purpose of the performance of surface reclamation requirements required by the United States Forest Service specific to the following:

## \$100,000 Reclamation

Two well pads located in the Clear Creek Unit

T.14S. R7E 1. Well #11-20, Ridge Runner. NE/4 SW/4 Section 20 148-7E

2. Well # 13-17, Ridge Runner. SW/4 SW/4 Section 17-148-7E

#### \$10,000 Reclamation

T.14S, R7E.

Reclamation of a pipeline associated with this project. Pipeline connects well pads Ridgerunner #11-20 and #13-17 to Questar Gathering line 506-11.

Coverage of lease operations shall continue whether or not the lease subsequently expires, tempinated or is cancelled provided, however; that this rider shall not act to increase the actual cumulative or potential liability of the face amount of the bond.

Nothing herein contained shall vary, alter, or extend any provision or willy lay in condition of this bond except as herein expressly stated. I follow herein have been a counself bedy & America or her case of the first of marion Energy Inc. as reincipal and executive

SIGNED, SEALED AND DATED THIS: 24th day of July, 2006

Name of Principal

JEFFORT CHARKE &CEO

Name and title of person " executing for Principal

U.S. Specialty Insurance Company

Name of Surety

The Agreem

W. Russell Brown, L. Attorney-in-Fact Name and title of person

executing for Surety

nder Extends Coversoe by the time see ion requirements organi

\$190,000 Reclamation

Two well pad looned in the

of P1484R74thalland Confidence

- 1. Wro #11-20, Rights, Rapid to September 2. Well #13-17. Ridge Ram or Crwiting

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- pads Ridgerunner with valuerary beggers

vinvinge of lease operations shall count ascendingly. The view in the country explicitly termingled of is come find personal appropriate from the control of the

Later the actual cumulative or potential Library and a con-



(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U. S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation duly ill Men organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, doesn'by ed and ex these presents make, constitute and appoint

## after very force of that have a few party Edwin H. Frank III, W. Russell Brown, Jr.

it it true and lawful Attorney in fact, with full power and authority hereby conferred in its name, place and stead, to execute, and law acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretystkipotoledge and include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Bollats riders.

(\$3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, scaled with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors do in the of the U.S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested Brith full of the power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following authority provisions:

Autorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and althority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and althority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and althority in recognizances, sontracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and decuments canceling or terminating itemees, contract Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President's liability that and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating about thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, U. S. SPECIALTY INSURANCE COMPANY has caused these presents to be signed by its President/radiffusess Where corporate seal to be hereto affixed this 23<sup>rd</sup> day of June, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY or porate Geal By

State of Texas

County of Harris

ss:

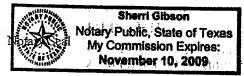
Inhul Spl

State of Texas

Michael J. Schell, President

County of Han is

On this 23<sup>rd</sup> day of June, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did depose 23<sup>rd</sup> day of and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company, that he described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name affected corporate by like order.



thad building the track to the pink of the

AND Notary of

My commission expires 1/-0

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing opher I. is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 24th Inday ioniess When July 2006.

Comorate Seal

Christopher L. Martin, Secretary

Corporate Seal

IVILLE CUE A BECCHIER

BOND NUMBER_	B002777

Corporate Surety Bond REFERSTY INSULANCE COMMANY who "Consposed in corporation and by These Presents Andrew I. S. Applet 1973 Institute

of Texas: and having its principal of the in the instant liberia to make the principal and existing under the laws of the State of Texas, and having its BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Marion Energy Inc. of 119 South Tennessee, Suite 200, Mckinney, ALL M Texas 75069 as principal and U.S. Specialty Insurance Company and as surely are Meldand Thrilly bound unto an 5069 as

an indik	naid tolthe Scho	ol & Institutional Trust	Ousand and no/100 T	Donars(\$ <u>15,00</u>	O.OO FRANTALI	noney of the U	nited States	peruntan
	State of Utah. a	nd of any patentee or	nurchaser of any no	ntion of the I	and covered b	tan, for the use	and benefit of	the
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Clarking to last

Bonding Address: 13403 Northwest Freeway

Houston, Texas 77040

#### POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, U. S. SPECIALTY INSURANCE COMPANY (the "Company"), a corporation duly an area and organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents a these presents make, constitute and appoint

of 119 South Jenissace to the Path Medwinks. Frank III, W. Russell Brown II- 112 . 2, that we Marion Line and the cost 19 South

the and lawful Attorney in fact, with full power and authority despety conferred in its names place and seeds, to execute the provided a conferred and deliver any and all hands recognizeness undertakings or other instruments or contracts of surety-his terms. acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars (1900, 1901) (\$3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney in the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney in the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney in the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney in the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney in the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney in the corporate seal of the Company and duly attested by its Secretary. Fact may no in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors. of the U.S. Specialty Insurance Company, Takes of the U.S. Specialty Insurance Company

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and its hereby vested with fuller and authority power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following islans:

orovisions:

Attorney in Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds some some some contract of the company. recognizances; contracts; agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating this pany's liability recognizances; contracts; agreements or indefinity and other conditional or company's hability thereunder, and any such instruments so executed by any such Attorney in Fact shall be binding upon the Company as if signed by the President conditional of the Company's liability thereunder, and any such instruments so executed by any such Attorney in Fact shall be binding upon the Company as if signed by the President conditional of the Company and other conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditional or the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company as if signed by the President conditions are the Company and the Company are the Company are the Company and the Company are the Company and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating to by facing the box facing to be facing to thereto by facsimile, and any power of attorney or certificate bearing facsimile signature of facsimile seal shall be valid and binding upon the Company with respect to and or a any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, U.S. SPECIALTY INSURANCE COMPANY Has caused these presents to be signed by its President, and corporate seal to be hereto affixed this 19th day of January, 2006. extract

Corporate Seal

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## U.S. SPECIALTY INSURANCE COMPANY

Corporate Seal

County of Harris

ss: Michael J. Schell, President

with a section of the state of the section of and the section of t On this 19th day of January, 2006 before me personally came Michael J. Schell to me known, who, being by me duly sworn, did this 19th day depose and say, that he resides in Houston, Texas, that he is President of II. S. SPECIALTY INSURANCE COMPANY, the company of in and described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument such corporate is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto. State obylike order and a harm in against a grown or a separation nee and efficie and he a



Walter Flo. 2002

My commission expires

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing transferred control of the secretary o is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this

Corporate Seal 1910 2

orporate Scal

Christopher L. Martin, Secretary

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ed on behalf and No. B002775

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	U.S. SPECIALTY INSU	RANCE COMPANY Corpora	en penil		The state of the s
	NOW, THEREFORE, if the above bounde requirements of the Board of Oil, Gas and	en Principal shall comply with all the provision Mining of the State of Utah, including, but n ion is void; otherwise, the same shall be an	ot limited to the proper plugging and	nd the rules, orders and I abandonment of wells	HOW, THERI requirements
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	IN TESTIMONY WHEREOF, said Principle officers and its corporate or notary seal to	al has hereunto subscribed its name and has be affixed this	caused this instrument to be signe	d by its duly authorized	officers and if
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hat he is Fro	Michael J. Scholl to the known, we (Colporate of Notary Seal here) 1935 of the work in a scholl of the convent in a	Alway All MEAMarion Energy inc.	The Line resides in House	gon, Texas, ilmin a li	מילומים וילמים
er of the La	and of the case of said Company as	By KER CLA	Principal (company name)	the other of the all RESIDENT LAND	adri airing
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To the second of	Attestee: Date:	W. M.	Signature November 10, 200		Attestore
irijst (	IN TESTIMONY WHEREOF, said Surety to be affixed this	has caused this instrument to be signed by	its duly authorized officers and its o	eretan and managed	IN TESTINO to be affixed
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	(Corporate or Notary Seal here)	By W. Russell Brown, J	Attorney-in-Fact		
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	Attestee: Mula Reagum Date: 4	13403 Northwest F	Signature		A+( () = 19
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Exhibit 'A' Bond #B002775)

MArion Energy Inc., Operator

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43-007-16009-00-00	Utah Fuel #1	Shut-in	Clear Creek	Carbon	5	14S-76	SESW # Dec-69	36 years
43-007-16010-00-00	Utah Fuel #2	Shut-in:	Clear Creek	Carbon	'32	13S-75 🔻 🧖	SWSW Nov-64	40 years 🗧
43-007-16011-00-00	Utah Fuel #3	Shut-in	Clear Creek	Carbon	32	13S-7E	NWSE Dec-73	32 years 🗻
43-007-16012-00-00	Utah Fuel #4	Shut-in	Clear Creek	Carbon	30	13S-7E 🖫		47 years
43-007-16016-00-00	Utab Fuel #10	Shut-in	Clear Creek	Carbon	5	14S-7E	NWNE S Jan-67	39 years
43-007-30102-00-00	Utah Mineral States	Shutin	Clear Creek	Carbon	29	13S-7E	SWNW 5 7 Jul-72	33 years
43-007-30289-00-00	Oman #2-20	Shutin	Clear Creek	Carbon	20	13S-7E	NWNE 4 Mar-96	10 years
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#### POWER OF ATTORNEY

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of the U. S. Specialty Insurance Company:

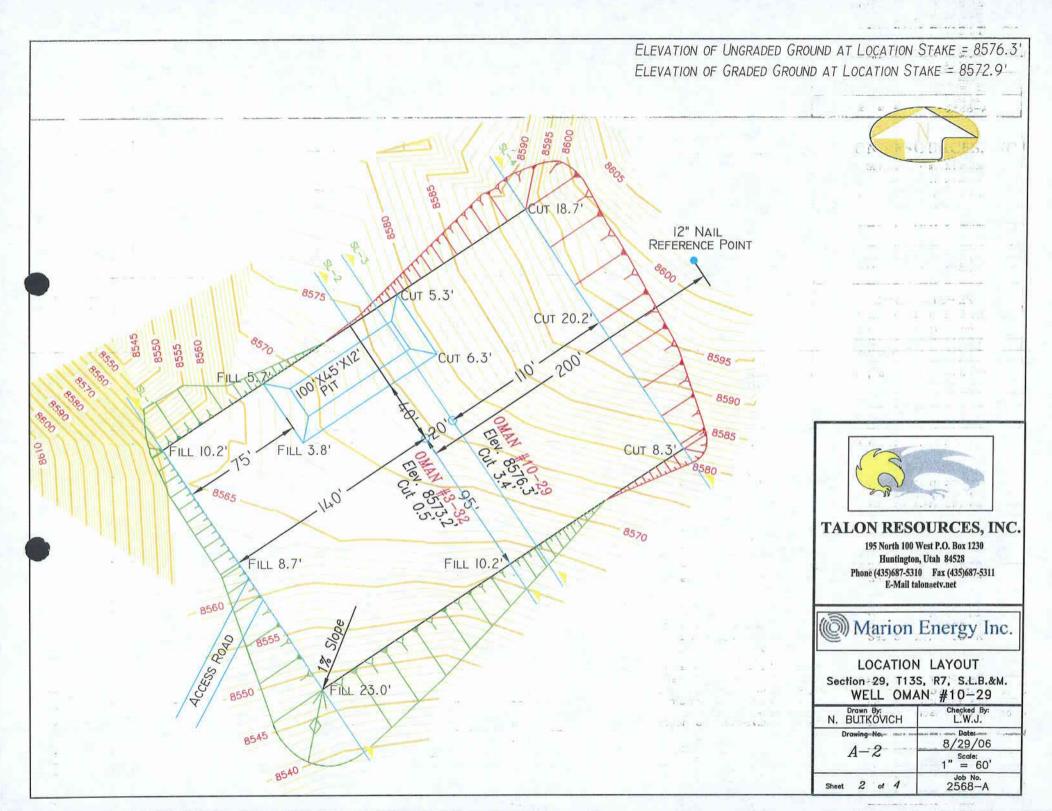
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Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all horides and deciding or terminating the recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all horides and deciding or terminating the recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all horides and deciding or terminating the company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding iron the Company as if signed by the President and sealed and effected by the Corporate Secretary.

thereto by facsimile, and any power of attorney or certificany bond or undertaking to which it is attached. (Adopted	cate bearing facsimile signa i by unanimous written cons	ture or facsimile ent in lieu of me	e seal shall be ceting on July	valid and I 7, 2003.)	inding upon the	Company with res	pect in bond of undert
In Witness Whereof, U. S. SPECIALTY IN corporate seal to be hereto affixed this 19th da	SURANCE COMPAN y of January, 2006.	VY has cause	d these pre	sents to l	e signed by	ts President, a	nd its Witness Who corporate seal to
Corporate Seal		U.S. SPE	CIALTY	INST	RANCEC	OMPANY	Corporate Seal
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On this 19th day of January, 2006 before me	personally came Mic	hael J. Sche	ll: to rec k		to Before hy	me duly swom	, Jinthis 19 <sup>th</sup> da
depose and say, that he resides in Houston, Te described in and which executed the above ins	exas, that he is Presiden	nt of U.S.SI	PECLALTY	INSUR	ANCE COM	PANY, the con	mangose and say,
is such corporate seal; that it was so affixed by like order.	y order of the Board of	f Directors	of said Con	pany, an	d that he sig	ed his name th	neretouch corporate by like order.
Sherri Gibson Notary Public, State of Texas					The A		
Notary Seal November 10, 2009		(	Shir	7(+	M. Med	ctary Public	oury See
The second secon			My commis		sses     -	0-09	AND STATE OF THE PERSON OF THE
I, Christopher L. Martin, Secretary of U. S. S. is a true and correct copy of a Power of Attor	PECIALTY INSURA	NCE COMP	ANY, do h	ereby cer	tofy that the	above and fore	going htistopher I

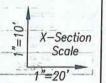
esomnons (	or me pos	ת זפ מוו	rectors, s	set out in	the Powe	r of Att	orney are	in full f	orce and ef	किंद्रिक किंद्रिक	हाय या व	* 12.1 mg - 1 mg -	resolutions of th
In Witness	Whereof,	I have	hereunto	set my	hand and	affixed	d the seal	of said	Company	at Housto	n, Texas this	12th	day of
April		, 20	<u>06</u> .			f	out of the		ATT	2 2 2 2	8888		April
	1-11					4:50		1	1 18	E B S S	3.00-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0		usinana ang t
Corporate S	eal		i i					(	7/0	4007	82 S S S		Corporate Seal
						F.					0 0 0	1000	الفيالية المراج وكالوكي فكالمات المتاكا

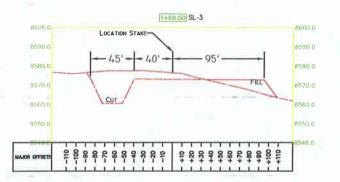
Christopher L. Martin, Secretary

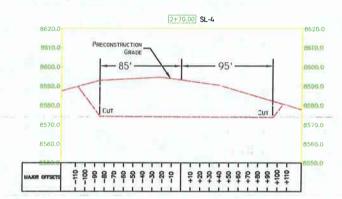


#### 'APPROXIMATE YARDAGES

(6")TOPSOIL STRIPPING = 900 CU. YDS. TOTAL CUT (INCLUDING PIT) = 10,710 Cu. YDS. TOTAL FILL = 10,560 Cu. YDS.







SLOPE = 1 1/2 : 1 (EXCEPT PIT) PIT SLOPE = 1:1



#### TALON RESOURCES, INC.

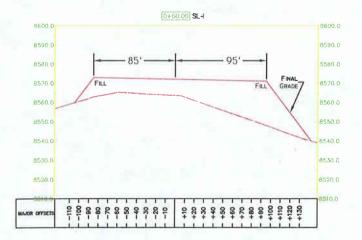
195 North 100 West P.O. Box 1230 Huntington, Utah 84528 Phone (435)687-5310 Fax (435)687-5311 E-Mail talon@etv.net

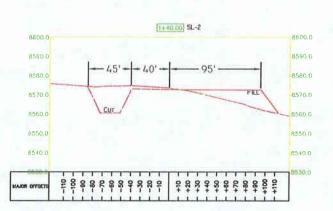


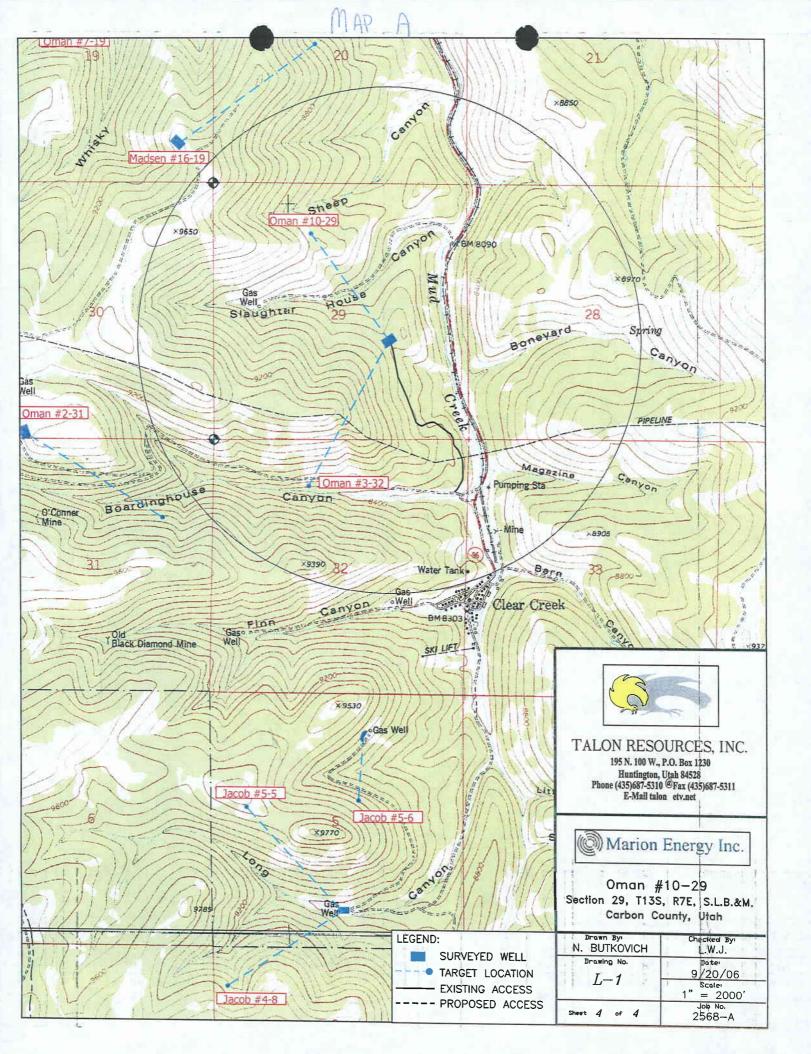
## Marion Energy Inc.

TYPICAL CROSS SECTION Section 29, T13S, R7, S.L.B.&M. WELL OMAN #10-29

N. BUTKOVICH	Checked By: L.W.J.
Drawing No.	8/29/06
C-1	Scale: 1" = 100'
Sheet 3 of 4	Job No. 2568—A







43 99000m N.

Z

43 97000m

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43 93000m N

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43 B9000m

43 B7000m N

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43 B1000m

478000mE.

TN\*/MN /12%°

map printed on 09/20/06 from "Marion-Oman-10-29.tpo 478000mE 480000mE. 484000m E. 482000mE. 486000mE. 488000m E. 490000mE. NAD27 Zone 12S 495000mE, z. Marion Energy, Inc 44 02000m Woods Creek Ridge Quarters SRG Long Oman #10-29 43 9 1000m Clear Creek Wright Talon Resources, Inc. 43 B 1000m 195 North 100 West P.O. Box 1230 Huntington, Utah 84528 (435) 687-5310

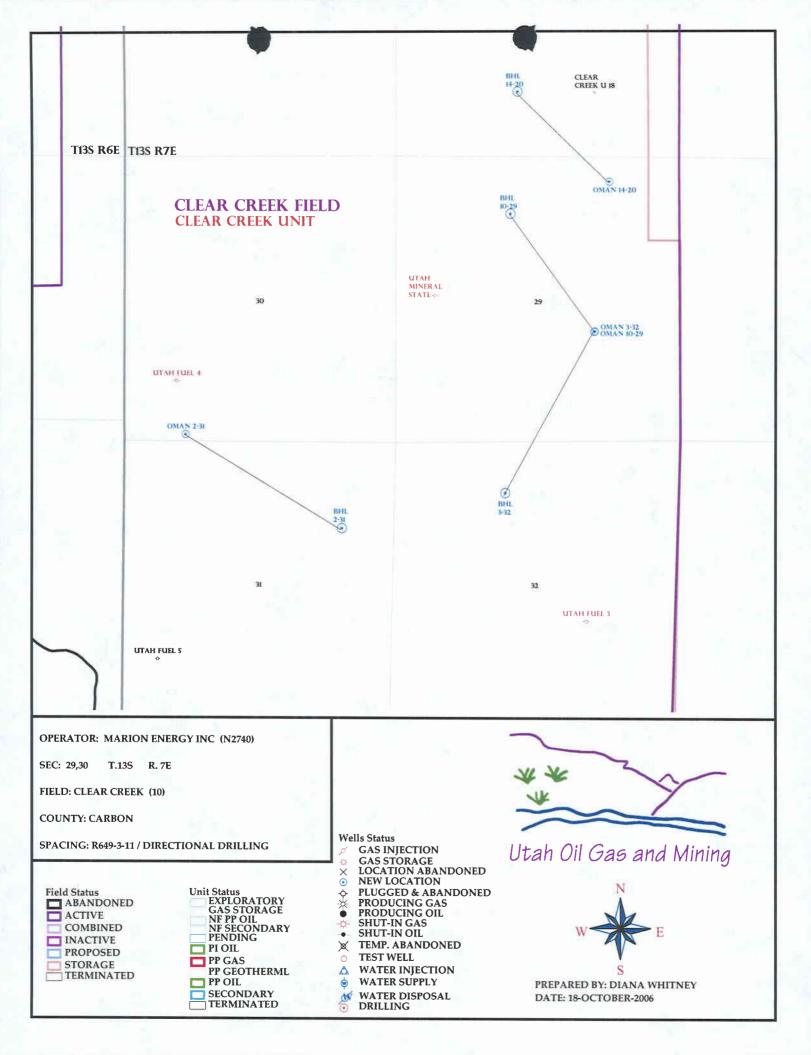
486000mE

Map created with TOPO @2003 National Geographic (www.nationalgeographic.com/topo)

NAD27 Zone 12S 495000m E.

	_			
APD RECEIVED: 10/16/2006		API NO. ASSIG	NED: 43-00	7-31210
WELL NAME: OMAN 10-29				
OPERATOR: MARION ENERGY INC ( N2740 )		PHONE NUMBER:	972-540-296	57
CONTACT: KERI CLARKE	·	THOUSE THOUSEN.		
CONTACT:	_			
PROPOSED LOCATION:		INSPECT LOCATN	BY: /	/
NWSE 29 130S 070E SURFACE: 2052 FSL 1581 FEL		Tech Review	Initials	Date
BOTTOM: 1045 FNL 2032 FWL		Engineering	DUD	5/9/07
COUNTY: CARBON		Geology		
LATITUDE: 39.65900 LONGITUDE: ~111.1589  UTM SURF EASTINGS: 486366 NORTHINGS: 43897	713	Surface		
FIELD NAME: CLEAR CREEK ( 10	L			
LEASE NUMBER: ML-1256 SURFACE OWNER: 4 - Fee  RECEIVED AND/OR REVIEWED:		PROPOSED FORMAT		SD
Plat	R6	49-2-3.		
Bond: Fed[] Ind[] Sta[] Fee[]	Unit: (	CLEAR CREEK		
(No. <u>B001617</u> )				
		49-3-2. Gener		
Oil Shale 190-5 (B) or 190-3 or 190-13		ting: 460 From Qt		Between Wells
✓ Water Permit	R6	49-3-3. Excep	tion	
(No. PRRV )  RDCC Review (Y/N)	Dr	illing Unit		
(Date:		oard Cause No:		
Fee Surf Agreement (Y/N)		ff Date:		
1	) 	iting:		
	<b>√</b> R6	49-3-11. Dire	ctional Dri	.11
COMMENTS: Need Sperit	(11-09-	56)		
			· · · · · · · · · · · · · · · · · · ·	
STIPULATIONS: 1-Spacing Stipe 2- Statement	OF BA	<del>\</del> \$15		
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## **Application for Permit to Drill** Statement of Basis

5/24/2007

### Utah Division of Oil, Gas and Mining

Page 1

APD No

API WellNo

Status

Well Type GW

**Surf Ownr** 

**CBM** 

34

43-007-31210-00-00

Surface Owner-APD

P

No

**Operator** MARION ENERGY, INC. Well Name OMAN 10-29

Unit

CLEAR CREEK

Field

CLEAR CREEK

Type of Work

Location

NWSE 29 13S 7E S 0 FL 0 FL GPS Coord (UTM) 486366E 4389713N

#### **Geologic Statement of Basis**

A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on the Cretaceous age Star Point Sandstone Member of the Mancos Shale. High quality ground water is likely to be encountered in the sandstone Members encountered in the upper Mancos Shale. Water quality will deteriorate in the deeper strata. The nearest mapping of the base of moderately saline ground water (~15 miles east northeast) implies that the base of moderately saline ground water is likely to be above sea level and within several thousand feet of the surface. No filings for subsurface water rights have been made within a mile of the location. The proposed casing and cementing program should be sufficient to protect the shallow ground water resource if the surface casing is extended below the Emery Sandstone Member of the Mancos Shale. The drilling fluid system presently calls for fresh water air/mist with sweeps of soap and polymer to 500' TD and fresh water air/mist/DAP system to 1,850' TD initially with an aerated DAP system if mud up becomes necessary. It is very likely that very permeable sandstones and large fresh water flows will be encountered from near the surface to significant depth as reported from nearby drilling. In any case, the mud system should be benign to protect the ground water resource.

Chris Kierst

5/23/2007

**APD** Evaluator

Date / Time

#### **Surface Statement of Basis**

Landowner (Darin Cain - Oman Ranches) was invited to the pre-site evaluation but chose not to attend. SITLA and Carbon County chose not to attend as well. The location is located in steep mountainous terrain and is in a water recharge area for municiple springs and streams that feed Scofield Reservoir, a municiple water source. The location is located away from live water sources. The pit is located entirely within cut material. It is recommended that the pit be underlayed with felt, and lined with a 12 mil minimum synthetic pit liner.

Mark Jones

11/9/2006

**Onsite Evaluator** 

Date / Time

#### Conditions of Approval / Application for Permit to Drill

Category

Condition

Pits

A synthetic liner with a minimum thickness of 12 mils with a felt subliner shall be

properly installed and maintained in the reserve pit.

Surface

The reserve pit shall be fenced upon completion of drilling operations.

Surface

Drainages adjacent to the proposed pad shall be diverted around the location.

#### Utah Division of Oil, Gas and Mining

Operator

MARION ENERGY, INC.

Well Name

OMAN 10-29

API Number

43-007-31210-0

APD No 34

Field/Unit CLEAR CREEK

Location: 1/4,1/4 NWSE

**Sec** 29

Tw 13S Rng 7E

0 FL 0 FL

**GPS Coord (UTM)** 486382

4389696

**Surface Owner** 

#### **Participants**

M. Jones (DOGM), Scott Jacoby and Eric Norton (Marion). Darin Cain (surface owner), SITLA, and Carbon County were invited but chose not to attend.

#### Regional/Local Setting & Topography

North of Clear Creek Town ~2 miles, to the west of Mud Creek between Boardinghouse Cyn and Slaughterhouse Cyn.. Topography is steep mountainous slopes, immidiate drainage to the east to Mud Creek, then north to Scofield reservoir.

#### Surface Use Plan

#### **Current Surface Use**

Grazing

Recreational

Wildlfe Habitat

#### **New Road**

Miles

Well Pad

**Src Const Material** 

**Surface Formation** 

0.5

Width 180

Length 340

Onsite

#### Ancillary Facilities N

Pipeline will be needed out of the well to the east for gas production and water disposal. Water disposal site still undecided location.

#### Waste Management Plan Adequate?

#### **Environmental Parameters**

#### Affected Floodplains and/or Wetland N

#### Flora / Fauna

aspen / pine forest. Grass, shrub, and sage understory.

#### Soil Type and Characteristics

clay loam

#### Erosion Issues Y

steep mountainous slopes.

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required Y

**Erosion Sedimentation Control Required?** N

Paleo Survey Run? N Paleo Potental Observed? N Cultural Survey Run? N Cultural Resources? N

#### **Reserve Pit**

Site-Specific Factors		Site 1	Ranking		
Distance to Groundwater (feet)	<25 or recharge area		20		
Distance to Surface Water (feet)	>1000		0		
Dist. Nearest Municipal Well (ft)	>5280		0		
Distance to Other Wells (feet)	>1320		0		
Native Soil Type	High permeability		20		
Fluid Type	TDS>5000 and <10000		10		
Drill Cuttings	Normal Rock		0		
<b>Annual Precipitation (inches)</b>	>20		10		
Affected Populations	<10		0		
<b>Presence Nearby Utility Conduits</b>	Not Present		0		
		Final Score	60	1	Sensitivity Level

#### Characteristics / Requirements

dugout earthen (100x45x12). W/ liner and felt underlayment.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 12 Pit Underlayment Required? Y

#### **Other Observations / Comments**

Landowner (Darin Cain - Oman Ranches) was invited to the pre-site evaluation but chose not to attend. He did mention to the division in a phone call that he was ok with it where it was staked. The surface use agreement was still in negotiation at time of inspection. There may be reason due to annual snowfall in the area of the proposed location to require that the reserve pit be closed immediately upon completion of drilling (if the pit is near full upon leaving for the winter, snowmelt could overfill the pit allowing the reserve pit contents to leave the pit)??

Mark Jones 11/9/2006 **Evaluator Date / Time** 

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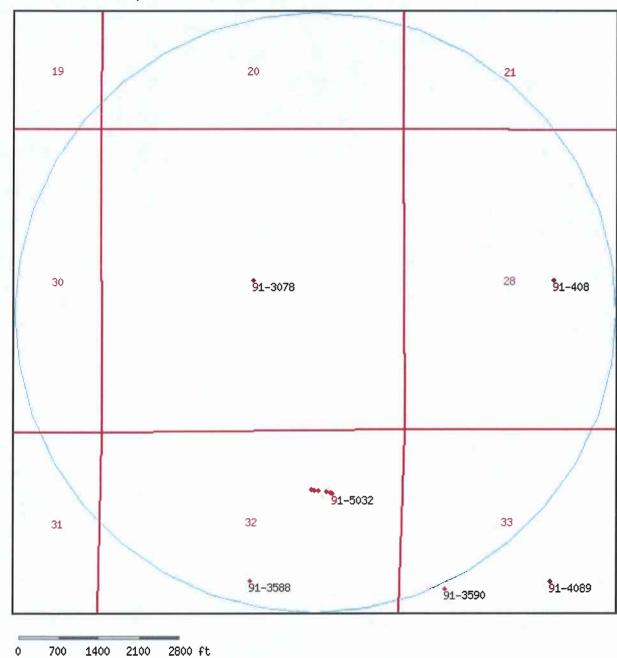


## Utah Division of Water Rights

#### **WRPLAT Program Output Listing**

Version: 2006.11.17.00 Rundate: 11/29/2006 05:23 PM

Radius search of 5280 feet from a point N2052.0 W1581.18 from the SE corner, section 29, Township 13S, Range 7E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



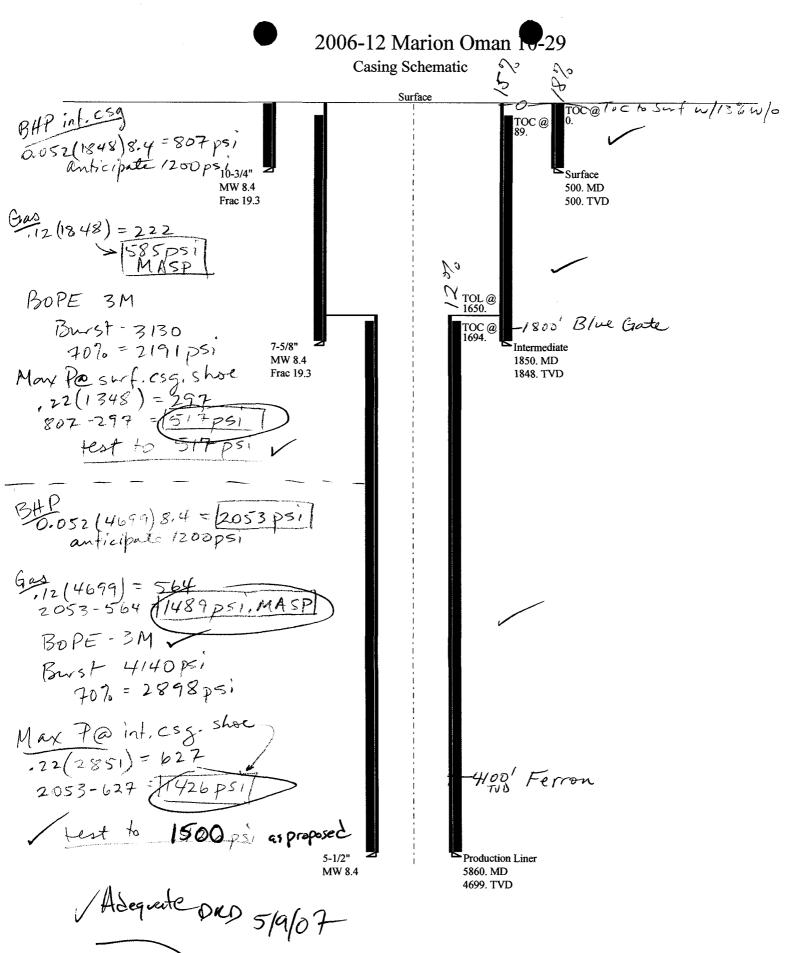
Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
91-106	Point to Point		P	19290920	DS	0.009	0.000	J. MARK JACOB
	S163 W300 NE 28 13S 7E SL							914 EAST 300 NORTH
<u>91-1678</u>	Point to Point		P	18600000	S	0.000	0.000	J. MARK JACOB
	N660 W660 E4 28 13S 7E SL							914 EAST 300 NORTH
91-3053	Point to Point		P	18690000	S	0.000	0.000	MILTON A. OMAN
	N660 E660 SW 28 13S 7E SL							717 CONTINENTAL BANK BUILDING
91-3078	Point to Point		P	18690000	S	0.011	0.000	MILTON A. OMAN
	S660 E660 N4 29 13S 7E SL							717 CONTINENTAL BANK BUILDING
91-3084	Point to Point		P	18690000	S	0.000	0.000	MILTON A. OMAN
	S660 E1980 W4 32 13S 7E SL							717 CONTINENTAL BANK BUILDING
91-3089	Point to Point		P	19020000	S	0.000	0.000	ANTON MICHELOG
	N660 E660 S4 33 13S 7E SL							PRICE UT 84501
91-3090	Point to Point		P	19020000	S	0.000	0.000	ANTON MICHELOG
	S660 W1980 E4 33 13S 7E SL							PRICE UT 84501
91-3588	Point to Point		P	18690000	S	0.000	0.000	CLEAR CREEK HOME ASSOCIATION
	S660 W1980 E4 32 13S 7E SL							P.O. BOX 263
91-408	Point to Point		P	18600000	S	0.011	0.000	J. MARK JACOB
	N660 E660 SW 28 13S 7E SL							914 EAST 300 NORTH
91-4089	Point to Point		P	1869	S	0.000	0.000	JAMES C. JACOB
	S660 W660 NE 33 13S 7E SL							914 EAST 300 NORTH
<u>91-3586</u>	Surface		P	18820000	O	0.428	309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY

	•				
	S1070 W1660 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1080 W1590 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1085 W1530 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
<u>91-3586</u>	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1100 W1390 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1110 W1325 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1140 W1280 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3590	Underground	P	18820000 O	0.446 0.000	WHITE OAK MINING AND CONSTRUCTION COMPANY INC.
	S2800 E700 NW 33 13S 7E SL				50 WEST LIBERTY STREET SUITE 880
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1070 W1660 NE 32 13S 7E SL				OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1080 W1590 NE 32 13S 7E SL				OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1085 W1530 NE 32 13S 7E SL				OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE

	S1100 W1390 NE 32 13S 7E SL			OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS 0.072 52.120	JOHN DEHAAS TRUSTEE
	S1110 W1325 NE 32 13S 7E SL			OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS 0.072 52.120	JOHN DEHAAS TRUSTEE
	S1140 W1280 NE 32 13S 7E SL			OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995

Natural Resources | Contact | Disclaimer | Privacy Policy | Accessibility Policy



Well name:

2006-12 Marion Oman 10-29

Operator:

Marion Energy Inc

String type:

Surface

Location:

Carbon Co.

Project ID:

43-007-31210

**Design parameters:** 

**Collapse** 

Mud weight:

8.400 ppg Design is based on evacuated pipe.

Minimum design factors:

Collapse: Design factor

1.125

**Environment:** 

H2S considered? Surface temperature:

No 65 °F 72 °F

Bottom hole temperature: Temperature gradient:

1.40 °F/100ft

Minimum section length:

185 ft

**Burst:** 

Design factor

1.00

1.80 (J)

1.80 (J)

1.60 (J)

1.50 (J)

1.50 (B)

Cement top:

0 ft

**Burst** 

Max anticipated surface

pressure: Internal gradient: Calculated BHP

440 psi 0.120 psi/ft 500 psi

No backup mud specified.

**Tension:** 

8 Round STC: 8 Round LTC: **Buttress:** 

Premium: Body yield:

Tension is based on air weight. Neutral point: 438 ft Non-directional string.

Re subsequent strings:

Next setting depth: Next mud weight: Next setting BHP:

1,848 ft 8.400 ppg 807 psi 19.250 ppg

Fracture mud wt: Fracture depth: Injection pressure:

500 ft 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	500	10.75	40.50	J-55	ST&C	500	500	9.925	275.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	218	1580	7.243	500	3130	6.26	20	420	20.74 J

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals by:

Phone: 801-538-5357 FAX: 801-359-3940

Date: December 1,2006 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 500 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Well name:

2006-12 Marion Oman 10-29

Operator:

**Marion Energy Inc** 

String type:

Intermediate

miciniculate

Project ID: 43-007-31210

Location:

Carbon Co.

43-007-31210

Design	parameters:
--------	-------------

<u>Collapse</u>

Mud weight:

8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:

Collapse: Design factor

1.125

**Environment:** 

H2S considered?

Surface temperature: 65 °F Bottom hole temperature: 91 °F

Temperature gradient:

1.40 °F/100ft

Minimum section length:

600 ft

No

Burst:

Design factor

1.00

1.80 (J)

1.80 (J)

1.60 (J)

1.50 (J)

1.50 (B)

Cement top:

89 ft

<u>Burst</u>

Max anticipated surface

pressure: Internal gradient: Calculated BHP 1,536 psi 0.120 psi/ft

No backup mud specified.

Tension:

1,757 psi 8 Round STC: 8 Round LTC:

> Buttress: Premium:

Body yield:

Tension is based on air weight.

Neutral point: 1,619 ft

Directional well information:

Kick-off point 514 ft
Departure at shoe: 29 ft

Maximum dogleg: 3 °/100ft Inclination at shoe: 10.07 °

Re subsequent strings:

Next setting depth: Next mud weight: Next setting BHP:

Fracture mud wt:

4,699 ft 8.600 ppg 2,099 psi 19.250 ppg

Fracture depth: Injection pressure: 1,848 ft 1,848 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1850	7.625	26.40 ´	J-55	LT&C	1848	1850	6.844	490
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	807	2811	3.485	1757	4140	2.36	49	346	7.09 J

Prepared

Helen Sadik-Macdonald

by: Div of Oil, Gas & Minerals

Date: December 1,2006 Salt Lake City, Utah

#### **ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 1848 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

2006-12 Marion Oman 10-29

Minimum design factors:

Operator: String type:

Location:

**Marion Energy Inc Production Liner** 

Carbon Co.

Project ID: 43-007-31210

Design parameters:

Collapse

Mud weight: Design is based on evacuated pipe.

Collapse: Design factor 8.400 ppg

1.125

**Environment:** 

H2S considered? No 65 °F Surface temperature: Bottom hole temperature: 131 °F 1.40 °F/100ft Temperature gradient:

Minimum section length: 1.500 ft

**Burst:** 

Design factor

1.00

5.246 ft

Cement top:

1,694 ft

**Burst** 

Max anticipated surface

pressure: Internal gradient: Calculated BHP

1,017 psi 0.220 psi/ft 2.051 psi

No backup mud specified.

Tension: 8 Round STC:

Neutral point:

1.80 (J) 8 Round LTC: 1.80 (J) **Buttress:** 1.60 (J) Premium: 1.50 (J) Body yield: 1.50 (B)

Tension is based on air weight.

Liner top:

1,650 ft

**Directional well information:** Kick-off point 514 ft Departure at shoe: 2734 ft

3 °/100ft 50 ° Maximum dogleg: Inclination at shoe:

Run Segment Nominal End True Vert Measured Drift Internal Seq Length Size Weight **Finish** Grade Depth Depth **Diameter** Capacity (lbs/ft) (ft) (in) (ft) (ft) (in) (ft³) 1 4260 5.5 17.00 J-55 LT&C 5860 4699 4.767 556 Run Collapse Collapse Collapse **Burst Burst Burst Tension Tension Tension** Seg Load Strength Design Load Strength Design Load Strenath Design **Factor** (psi) (psi) (psi) (psi) **Factor** (Kips) (Kips) **Factor** 1 2051 4910 2.394 2051 5320 2.59 53 247 4.69 J

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals

Phone: 801-538-5357 FAX: 801-359-3940

Date: December 1,2006 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

For this liner string, the top is rounded to the nearest 100 ft. Collapse is based on a vertical depth of 4699 ft, a mud weight of 8.4 ppg. The Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

## **United States Department of the Interior**

#### BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

October 19, 2006

Memorandum

To:

Assistant Field Office Manager Resources,

Moab Field Office

From:

Michael Coulthard, Petroleum Engineer

Subject:

2006 Plan of Development Clear Creek Unit Carbon County,

Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Clear Unit, Carbon County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Ferron)

43-007-31247 Oman 3-32 Sec 29 T13S R07E 2041 FSL 1597 FEL BHL Sec 32 T13S R07E 0962 FNL 1989 FWL

43-007-31246 Oman 2-31 Sec 30 T13S R07E 0120 FSL 1153 FWL BHL Sec 31 T13S R07E 1615 FNL 1050 FEL

The following well has had the surface and bottom hole location changed please refer to our memo dated June 20, 2006.

43-007-31210 Oman 10-29 Sec 29 T13S R07E 2052 FSL 1581 FEL BHL Sec 29 T13S R07E 1045 FNL 2032 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc:

File - Clear Creek Unit

Division of Oil Gas and Mining

Central Files
Agr. Sec. Chron
Fluid Chron

From:

"Farmington Receptionist" <rfarmington@marionenergy.com>

To:

"Dustin Doucet" <dustindoucet@utah.gov>

Date: Subject: 5/9/2007 8:22 AM RE: Mud Program

Attachments:

DRILLING FLUIDS PROGRAM--Alternative Proposal.doc

#### Hi Dustin,

This is an alternative proposal to drill the 500'; otherwise we will take our chances drilling with the water the wells are making. However, we feel there is a need to increase the viscosity of the water to help lift the cuttings and more effectively clean the hole. Subsequently we submit this alternative proposal.

#### Thanks!

----Original Message-----

From: Dustin Doucet [mailto:dustindoucet@utah.gov]

Sent: Monday, May 07, 2007 1:31 PM

To: Farmington Receptionist Subject: RE: Mud Program

#### Charlotte,

I am assuming, that if you can't circulate with air that you will go to a freshwater system. If you remember, drilling with air with all the probable water flows was what prompted my request for more info in the first place. Could you please confirm and update the mud program to state such and send to me. I will process when received. Thank you.

#### Dustin

Dustin K. Doucet
Petroleum Engineer
Utah Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Phone: (801) 538-5281 fax: (801) 359-3940

email: dustindoucet@utah.gov

>>> "Farmington Receptionist" <rfarmington@marionenergy.com> 5/3/2007 1:21 PM >>> Hi Dustin,

The DAP is used as a slackening agent for the hole. If this is a problem we will air drill the surface portion of the hole.

Thanks, Char ----Original Message----

From: Dustin Doucet [mailto:dustindoucet@utah.gov]

Sent: Wednesday, May 02, 2007 11:45 AM

To: Farmington Receptionist Subject: Re: Mud Program

Charlotte,

Thanks for the info. I ran the proposal past our groundwater/geology people and they are not comfortable with the use of DAP or any potential additive that could contribute to the salinity of the Colorado River system at least while drilling the 500' of surface hole and preferably until after the intermediate hole has been drilled. They don't expect any significant clays or shales to be present in that upper portion of the hole. Please address these concerns and edit the mud program appropriately. Let me know if you have concerns or questions. I will wait on the permits until I hear further. Thanks.

Dustin

Dustin K. Doucet
Petroleum Engineer
Utah Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Phone: (801) 538-5281 fax: (801) 359-3940

email: dustindoucet@utah.gov

>>> "Farmington Receptionist" <rfarmington@marionenergy.com> 5/1/2007 9:59 AM >>> Hi Dustin,

Sorry for the delay in getting this to you, we just received it.

Thanks,

Charlotte

# DRILLING FLUIDS PROGRAM

# **CONDUCTOR INTERVAL:**

Prior to moving in the drilling rig: It is recommended that a bucket rig drill a 17-1/2 inch borehole to around 40-feet.

Set and cement 13-5/8 inch conductor casing.

# **SURFACE INTERVAL:**

Spud with fresh water air/mist adding drilling foamer (soap) as required.

Borehole conditions may dictate converting over to fresh water aerated fluid for adequate borehole cleaning. For hole sweeps, add soap and PHPA polymer, as needed.

Severe loss zones will probably be encountered while drilling the surface interval to around 500-feet. If mud-up is required: Treat active system with 20 to 30% loss circulation material (LCM). Multi-seal and Fed-Seal have proven to be very effective. Continue drilling to casing point with a 40 to 42 sec/qt funnel viscosity, mud weight as-low-as-possible (ALAP) dumping sand trap and shale pit as needed. Fluid loss should be in the 5 to 8 cc range. Mechanical solids control equipment such as a double-deck mud cleaner, for LCM recovery is recommended, if mudded-up.

Water flows are common in central Utah. Weight-up with barite for sufficient mud density to contain water influx. It is not uncommon to weight-up into the 12.0 to 12.5 lb/gal range.

Set and cement 9.5/8 inch surface casing.  $16^3/4^{11}$ 

# INTERMEDIATE INTERVAL:

Drill-out with air/mist, adding 10 to 15 lb/bbl DAP (Di-Ammonium Phosphate) to mist water, for shale and clay inhibition.

Borehole conditions may dictate converting over to aerated fluid for adequate hole cleaning. It is recommended that 10 to 15 lb/bbl DAP water be used initially. However, if needed, a dispersed DAP mud may be needed.

Severe loss zones will probably be encountered while drilling the intermediate interval to around 3,500-feet. If mud-up is required: Treat active system with 20 to 30% loss circulation material (LCM). Multi-seal and Fed-Seal have proven to be very effective. Continue drilling to casing point with a 40 to 42 sec/qt funnel viscosity, mud weight as-low-as-possible (ALAP) dumping sand trap and shale pit as needed. Fluid loss should be in the 5 to 8 cc range. Mechanical solids control equipment such as a double-deck mud cleaner, for LCM recovery is recommended, if mudded-up.

Set and cement // inch intermediate casing.

# **PRODUCTION INTERVAL:**

Drill-out with air/mist, adding 10 to 15 lb/bbl DAP (Di-Ammonium Phosphate) to mist water, for shale and clay inhibition.

Borehole conditions may dictate converting over to aerated fluid for adequate hole cleaning. It is recommended that 10 to 15 lb/bbl DAP water be used.

Loss circulation is not expected while drilling the production interval. However, the ferron sandstone will probably be wet and will probably produce copious amounts of fresh water. Mud-up and weight-up may be necessary. It is suggested that one continue using a dispersed DAP system, as previously described, but without LCM.

Top-set the ferron coal with 4-1/2 or 5 inch casing, cementing to surface.

5 1/2" Line - JKO

b. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

## 6. Evaluation Program

The anticipated type of amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a DIL- GR-SP-CAL-ML-PE and a Compensated Neutron/Density will be run from surface to 5860'
- c. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log' (Form 3160-4) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- d. The anticipated completion program is as follows:

Perforate Ferron w/ 3-3/8" casing gun @ 6 jspf using 23 gram charges. Break down formation with 2000 gallons of Formic acid. Fracture stimulate formation w/ 25# Cross linked x-Linked Gel and 200,000lbs of 16/30 mesh sand.

### 1. Anticipated Pressures and H,S

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- a. The expected bottom hole pressure is 1200 psi. Low pressures are anticipated.
- b. No hydrogen sulfide gas is anticipated.

### 2. Other Information and Notification Requirements

- a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- c. The data on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured though permanent metering facilities, whichever first occurs.
- d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lesser for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

- f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No.3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5<sup>th</sup> business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109 (3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

- h. Drilling will commence on approximately October 30, 2006
- i. It is anticipated that the drilling of this well will take approximately 20 days.
- j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- k. <u>Immediate Report:</u> Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- 1. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, and application for

Miller V. Mars

that approved a new lands of the conservation of

and the subsequent of the safe

approval of the permanent disposal method, along with the required water analysis and other information must be submitted to the District Engineer.

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1. No well abandonment operations will be commenced without the prior with ners and Climated Approval of the AO. In the case of newly drilled dry holes or failures, and in ... becalled enfantly under a emergency situations, oral approval will be obtained from the SO>A Attento "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface All the expression proves a restoration. Final abandonment will not be approved until the surface of the state of the surface of the state of the surface of the state of the surface of t reclamation work required by the approved APD or approved abandonment www. here the production is a notice has been completed to the satisfaction of the AO or his representative and cite as ellipsis of the appropriate Surface Managing Agency. mit is may to four their

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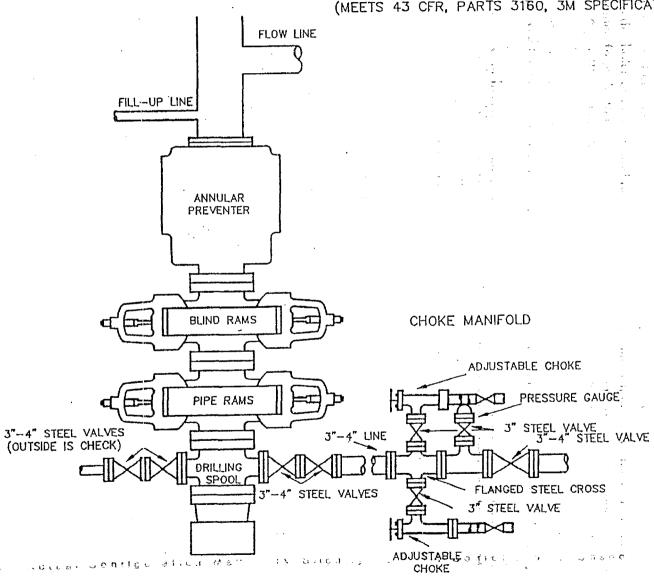
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CLASS III (MEETS 43 CFR, PARTS 3160, 3M SPECIFICATIONS)





# State of Utah

# Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT Lieutenant Governor

May 14, 2007

Marion Energy, Inc. 119 S Tennessee McKinney, TX 75069

Re:

Oman 10-29 Well, 2052' FSL, 1581' FEL, NW SE, Sec. 29, T. 13 South, R. 7 East, Bottom Location 1045' FNL, 2032' FWL, NE NW, Sec. 29,

T. 13 South, R. 7 East, Carbon County, Utah

#### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31210.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Carbon County Assessor

Bureau of Land Management, Moab Office

**SITLA** 

Operator:		Marion Energy, Inc.						
Well Name & Number		Oman 10-29						
API Number:		43-007-31210						
Lease:		ML-1256						
Location:	NW SE	Sec. 29_	T. <u>13 South</u>	<b>R.</b> <u>7 East</u>				
<b>Bottom Location:</b>	NE NW	Sec. 29	<b>T.</b> 13 South	R. 7 East				

## **Conditions of Approval**

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

### 2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to spudding the well contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well contact Dustin Doucet
- Any changes to the approved drilling plan contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

• Dan Jarvis at:

(801) 538-5338 office

(801) 942-0873 home

Carol Daniels at:

(801) 538-5284 office

• Dustin Doucet at:

(801) 538-5281 office

(801) 733-0983 home

### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Page 2 43-007-31210 May 14, 2007

- 4. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
- 5. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

### **STATE OF UTAH**

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL GAS AND MINING

DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: State ML-1256						
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:						
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME: Clear Creek Federal Unit						
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Oman 10-29						
2. NAME OF OPERATOR:  Marion Energy, Inc.	9. API NUMBER:						
ADDRESS OF OPERATOR:  PHONE NUMBER:	4300731210  10. FIELD AND POOL, OR WILDCAT:						
119 S. Tennessee CITY McKinney STATE TX ZIP 75069	Wildcat						
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052'FSL, 1581.18' FEL SE/4 Section 29 13SR7E	COUNTY: Carbon						
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E S	STATE: UTAH						
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA						
TYPE OF SUBMISSION TYPE OF ACTION							
NOTICE OF INTENT  (Submit in Dumiliants)  ACIDIZE  DEEPEN	REPERFORATE CURRENT FORMATION						
(Submit in Duplicate)  ALTER CASING  FRACTURE TREAT  Approximate date work will start:  CASING REPAIR  NEW CONSTRUCTION	SIDETRACK TO REPAIR WELL						
	TEMPORARILY ABANDON						
	TUBING REPAIR						
CHANGE TUBING PLUG AND ABANDON  SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK	VENT OR FLARE						
(Submit Original Form Only)  CHANGE WELL STATUS  PRODUCTION (START/RESUME)	WATER CURT OFF						
Date of work completion:  COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	WATER SHUT-OFF						
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	✓ OTHER: APD Extension  Request						
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume							
Marion Energy is requesting an APD Extension request. We were able to drill this past year	because of poor weather.						
Approved by the Utah Division of Oil, Gas and Mining							
Date: 05-14-06  Date: 5-20-2008  Initials: KS							
NAME (PLEASE PRINT) Scott Jacoby TITLE Landman							
SIGNATURE DATE 5/8/2008	****						
This space for State use only)	DECEIVED						

RECEIVED

MAY 0 9 2008

# Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API:

4300731210

Well Name: Oman 10-29 Location: SE 1/4 Section 29 Tonwship 13S Range 7E Company Permit Issued to: Marion Energy Inc. Date Original Permit Issued: 5/14/2007
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes⊡No☑
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right- of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
ls bonding still in place, which covers this proposed well? Yes ☑No□
Satt Jang 5/8/2008
Signature Date
Title: Landman
Representing: Marion Energy Inc.
RECEIVE

STATE OF UTAH

	5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256		
SUNDR	Y NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this from for ampreels to dri	I now walle significantly deepen existing wolle helpsy current	nt bottom bale denth insenter alliqued wells, or to	7. UNIT or CA AGREEMENT NAME:
	new wells, significantly deepen existing wells below current laterals. Use APPLICATION FOR PERMIT TO DRILL for	m for such proposals.	Clear Creek Unit
1. TYPE OF WELL OIL WELL	GAS WELL 🔽 OTHER		8, WELL NAME and NUMBER; Oman 10-29
2. NAME OF OPERATOR:			9. API NUMBER:
Marion Energy, Inc.		PHONE NUMBER:	4300731210  10. FIELD AND POOL, OR WILDCAT:
119 S. Tennessee	TX ZIP TX ZIP TX	5069 (972) 540-2967	Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052	' EQI & 1581 18' EEI		COUNTY: Carbon
POUTAGES AT SURFACE: ZOJZ	TOE & TOOT. TO TEE		COUNTY. OCHOO!
QTR/QTR, SECTION, TOWNSHIP, R.	ANGE, MERIDIAN: NWSE 29 13S 7E		STATE: UTAH
11. CHECK API	PROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REP	ORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT	ACIDIZE	DEEPEN	REPERFORATE CURRENT FORMATION
(Submit in Duplicate)  Approximate date work will start:	ALTER CASING	FRACTURE TREAT  NEW CONSTRUCTION	SIDETRACK TO REPAIR WELL  TEMPORARILY ABANDON
Approximate date work will start.	CASING REPAIR  CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR
	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
(Submit Original Form Only)	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion:	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	OTHER:
	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR	COMPLETED OPERATIONS. Clearly show all pe	rtinent details including dates, depths, volu	mes, etc.
We propose to change t	he casing program originally submit	ted in the APD to reflect updat	ed geologic top information. I have
	ver sheet reflecting the changes.		10 K
			, p
			red geologic top information. I have
			V
			COPY SENT TO OPERATOR
			Date: 9.8.2008
			Initials: KS
Charlotte	rfarmington @ A	larion energy. Com	
		505 (56	,48005)
NAME OF EASE DRINTS DOUG EI	ndslev	TITLE VP Operations	
NAME (PLEASE PRINT) DOUG EI	7.00		
SIGNATURE	Jally	DATE 8/22/2008	
(This space for State use only)			
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WELU.	UTAH DIVISION OF		
(5/2000)	GAS. AND MINING	AUG	2 5 2008

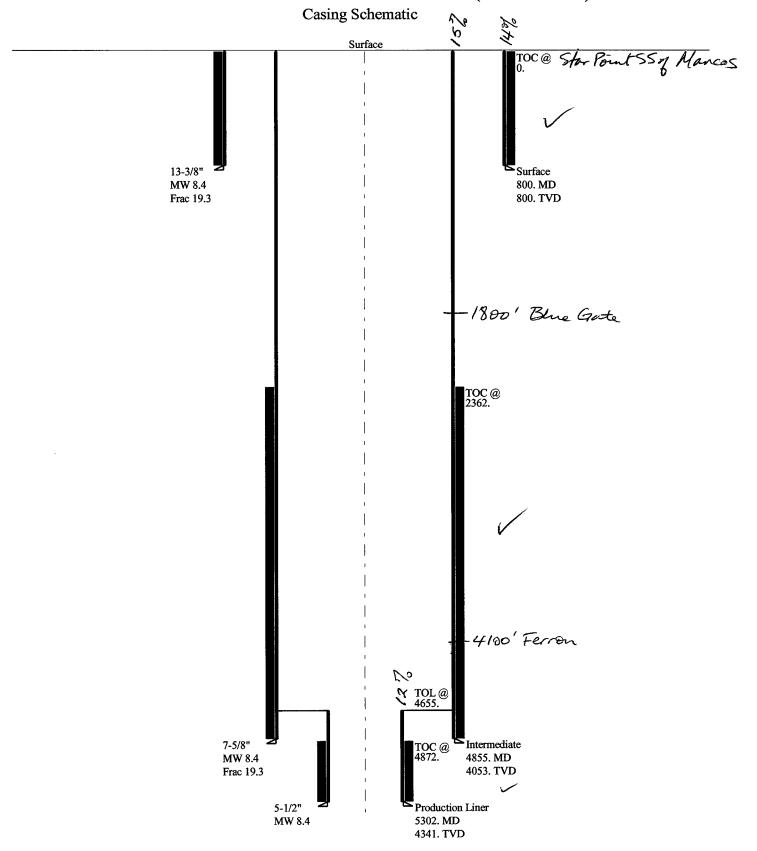
DIV. OF OIL, GAS & MINING

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT (highlight changes)

	A	PPLICAT	ION FOR	PERMIT TO	DRILL			5. MINERALL STATE N		6. SURFACE: Fee
1A, TYPE OF WO	RK: DF	RILL 🔽	REENTER [	DEEPEN	]			7. IF INDIAN,	ALLOTTEE OR	TRIBE NAME:
B. TYPE OF WEL			OTHER	SINC	SLE ZONE [	MULTIPLE ZON	·Ĕ□┞		AGREEMENT eek Unit	NAME:
2. NAME OF OPE									E and NUMBE	R:
Marion Ene						PHONE NUMBER:	-	Oman #	10-29 D POOL, OR W	ALDCAT:
119 S. Tenr		CITY McKin	ney <sub>STA</sub>	TX ZP 750	)69	(972) 540-2967		Wildcat	5,004,0,0	
4. LOCATION OF	WELL (FOOTAGES		·					11. QTR/QTR, MERIDIAN	SECTION, TO	WNSHIP, RANGE,
AT SURFACE:	2052' FSL	& 1581.18' i	FEL				1	NWSE	29 13	S 7E
AT PROPOSED	PRODUCING ZON	ie: 1045' FN	IL 2032' FW	L			- 1			
14. DISTANCE IN	MILES AND DIREC	CTION FROM NEAL	REST TOWN OR PO	ST OFFICE:			-+	12. COUNTY:		13. STATE:
1.25 Mile	NW of Clea	r Creek, Uta	ah					Carbon		UTAH
		ERTY OR LEASE L		16. NUMBER OF	ACRES IN LEA	SE:	17. NU	MBER OF ACE	RES ASSIGNE	D TO THIS WELL:
1650 feet				1		480	1			40
18, DISTANCE TO	NEAREST WELL	(DRILLING, COMP	LETED, OR	19. PROPOSED	DEPTH:		20. BO	ND DESCRIPT	TION:	
20 Feet	R) ON THIS LEASE	(PEET)				5,860	Se	e Attache	ed Bond I	Document
21. ELEVATIONS	(SHOW WHETHER	R DF, RT, GR, ETC	.):	22. APPROXIMA	TE DATE WOR	K WILL START:	23. ES	TIMATED DUR	RATION:	<del></del>
8,576.30	feet						<u> </u>			
24.			PROPOS	SED CASING A	ND CEMEN	ITING PROGRAM				
SIZE OF HOLE	CASING SIZE,	GRADE, AND WEK	HT PER FOOT	SETTING DEPTH		CEMENT TYPE, QU	ANTITY,	YIELD, AND SI	LURRY WEIGH	
17 1/4"	13 3/8"	J-55	61#	800	Class "G	<b>n</b>	4	90sx	1.85cu	ft 13.3 f
10 1/4"	7 5/8	J-55	26.4#	4,855	50/50 Po	z	8	72sx	1.26cu	ft 14.2
	DV Tool	+/-		2,400						14.2 ppg
6 3/4"	5 1/2"	N-80	17#	5,302	50/50 Po	z		50sx	1.26cu	ft 14.2
	LT 4655'									
		.,								TM.1.
25.				ATTA	CHMENTS					
	LOWING ADD AT	TACUED IN 4000	POARICE MET L'THE	UTAH OIL AND GAS C						
VERIFT THE FO	LLOWING ARE AT	TACHED IN ACCO	ADANCE WITH THE	OTAT OIL AND GAG L	I —	OCHEMA NOLLO.				
☐ WELL PI	AT OR MAP PREF	PARED BY LICENSI	ED SURVEYOR OR	ENGINEER	ه 🗆 د	OMPLETE DRILLING PLAN				
EVIDEN	CE OF DIVISION O	F WATER RIGHTS	APPROVAL FOR U	SE OF WATER		ORM 5, IF OPERATOR IS P	ERSON O	RCOMPANY	OTHER THAN	THE LEASE OWNER
	·		<del> </del>							
NAMF (PLEASE	PRINT Doug	Endsley			TIT	LE VP Operation	ıs			
IA WIT IS TO YOU		. 9	10.1	m		8/22/2008				
SIGNATURE	12 18 ·	7)	w	الر	DA'	TE OFFICE OFFI				
(This space for St	ate use only)	م		•						
API NUMBER AS	SIGNED:				APPROV/	AL:				

# 43007312100000 Oman 10-29 (rev 2006-12)



Well name:

43007312100000 Oman 10-29 (rev 2006-12)

Operator:

Marion Energy Inc

String type:

Surface

Project ID:

43-007-31210-0000

Location:

Carbon Co.

Minimum design factors: **Environment:** 

Collapse

Mud weight:

**Design parameters:** 

Collapse: Design factor

1.125

H2S considered?

No 65 °F

8.400 ppg Design is based on evacuated pipe.

Surface temperature: Bottom hole temperature:

76 °F 1.40 °F/100ft

Temperature gradient: Minimum section length:

185 ft

**Burst:** 

Design factor

1.00

Cement top:

0ft

**Burst** 

Max anticipated surface

No backup mud specified.

pressure: Internal gradient:

704 psi 0.120 psi/ft

Calculated BHP 800 psi Tension:

8 Round STC: 1.80 (J) 1.80 (J) 8 Round LTC: 1.60 (J) **Buttress:** 

Body yield:

1.50 (J) Premium: 1.50 (B)

Tension is based on air weight. Neutral point: 700 ft Non-directional string.

Re subsequent strings:

Next setting depth: 4,053 ft Next mud weight: 8.400 ppg 1,769 psi Next setting BHP:

Fracture mud wt: Fracture depth: Injection pressure:

19.250 ppg 800 ft 800 psi

Run	Segment		Nominal		End	True Vert	Measured	Drift	Internal
Seq	Length (ft)	Size (in)	Weight (lbs/ft)	Grade	Finish	Depth (ft)	Depth (ft)	Diameter (in)	Capacity (ft³)
1	800	13.375	61.00	J-55	ST&C	800	800	12.39	683.4
Run Seq	Collapse Load	Collapse Strength	Collapse Design	Burst Load	Burst Strength	Burst Design	Tension Load	Tension Strength	Tension Design Factor
	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(Kips)	(Kips)	
1	349	1540	4.411	800	3090	3.86	49	595	12.19 J

Prepared

by:

Helen Sadik-Macdonald Div of Oil, Gas & Minerals

Phone: 801-538-5357 FAX: 801-359-3940

Date: September 3,2008 Salt Lake City, Utah

#### **ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 800 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

43007312100000 Oman 10-29 (rev 2006-12) Well name:

**Marion Energy Inc** Operator:

Intermediate String type:

Project ID:

Cement top:

43-007-31210-0000

Carbon Co. Location:

**Design parameters:** Minimum design factors: **Environment:** 

Collapse Collapse: Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Design factor

1.125 Surface temperature:

H2S considered? No 65 °F 122 °F Bottom hole temperature:

2.362 ft

4,053 psi

Temperature gradient: 1.40 °F/100ft 600 ft Minimum section length:

**Burst:** 

1.00

Design factor

Size

(in)

**Burst** Max anticipated surface

pressure: 1,418 psi Internal gradient: 0.120 psi/ft Calculated BHP 1,905 psi

No backup mud specified.

Segment

Length

(ft)

Run

Seq

Tension:

Grade

Nominal

Weight

(lbs/ft)

8 Round STC: 1.80 (J) 1.80 (J) 8 Round LTC: 1.60 (J) **Buttress:** 1.50 (J) Premium: Body yield: 1.50 (B)

Tension is based on air weight. 4.071 ft Neutral point:

End

**Finish** 

(ft)

**Directional well information:** Kick-off point 514 ft Departure at shoe: 1965 ft Maximum dogleg: 3 °/100ft 50°

Inclination at shoe: Re subsequent strings:

Injection pressure:

Next setting depth: 4,341 ft Next mud weight: 8.600 ppg Next setting BHP: 1,939 psi Fracture mud wt: 19.250 ppg 4,053 ft Fracture depth:

True Vert Drift Measured Internal Depth **Depth** Diameter Capacity (ft) (in) (ft³)

1	4855	7.625	26.40	J-55	ST&C	4053	4855	6.844	1286
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1769	2890	1.634	1905	4140	2.17	107	315	2.94 J

Prepared

Helen Sadik-Macdonald

by: Div of Oil, Gas & Minerals

Phone: 801-538-5357 FAX: 801-359-3940

Date: September 3,2008 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 4053 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

43007312100000 Oman 10-29 (rev 2006-12) Well name:

**Marion Energy Inc** Operator: String type:

**Production Liner** 

Carbon Co. Location:

Project ID:

43-007-31210-0000

Design parameters: Minimum design factors: **Environment: Collapse** Collapse:

Mud weight: 8.400 ppg Design is based on evacuated pipe.

Design factor 1.125 H2S considered? Surface temperature: Bottom hole temperature:

No 65 °F 126 °F

1.40 °F/100ft Temperature gradient: Minimum section length: 1,500 ft

Burst:

1.00 Design factor

Cement top:

4.873 ft

**Burst** Max anticipated surface

939 psi pressure: Internal gradient: 0.220 psi/ft Calculated BHP 1,894 psi

No backup mud specified.

Tension: 1.80 (J) 8 Round STC: 1.80 (J) 8 Round LTC: 1.60 (J) **Buttress:** Premium: 1.50 (J) Body yield: 1.50 (B)

Tension is based on air weight. Neutral point: 5,225 ft

4,655 ft Liner top:

**Directional well information:** Kick-off point 514 ft Departure at shoe: 2307 ft 0 °/100ft Maximum dogleg: 50° Inclination at shoe:

Run Segment Nominal End True Vert Measured Drift Internal Seq Length Size Weight Grade **Finish** Depth Depth Diameter Capacity (lbs/ft) (ft) (ft) (in) (ft³) (ft) (in) 1 602 5.5 17.00 N-80 LT&C 4341 5302 4.767 78.6 **Burst Tension Tension Tension** Run Collapse Collapse Collapse **Burst** Burst Design Design Strength Strength Design Strength Seq Load Load Load **Factor Factor** (Kips) **Factor** (psi) (psi) (psi) (psi) (Kips) 1 1894 6290 3.321 1894 7740 4.09 348 52.90 J

Prepared

by:

Helen Sadik-Macdonald Div of Oil, Gas & Minerals

Phone: 801-538-5357 FAX: 801-359-3940

Date: September 3,2008 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

For this liner string, the top is rounded to the nearest 100 ft. Collapse is based on a vertical depth of 4341 ft, a mud weight of 8.4 ppg The Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

BOPE REVIEW		Marion Oma	an 10-29	API # 43-013-31210
Well Name		Marion Oman 10-2	29 API # 43	-013-31210
i		String 1	String 2	String 3
Casing Size (")		13 3/8		
Setting Depth (TVD)		800		
Previous Shoe Setting Depth (	(TVD)	0		
Max Mud Weight (ppg)		8.4		
BOPE Proposed (psi)		0		
Casing Internal Yield (psi)	(1)	3090		
Operators Max Anticipated Pre	essure (psi)	1200		5.3 ppg
Calculations	String 1	13 3/8	70	
Max BHP [psi]	.052*Setting Depth*MW =	349		<del>-</del>
			<b>BOPE Adequat</b>	e For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	253	NO	Reasonable Deptu - Divertor
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	173	NO	
				cted Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(Setting Depth - Previous Shoe Depth) =	173	€ NO	
Required Casing/BOPE Test	Pressure	800	psi	
*Max Pressure Allowed @ P	revious Casing Shoe =		psi 🗸	*Assumes 1psi/ft frac gradient
Calculations	String 2	7 5/8	91	
Max BHP [psi]	.052*Setting Depth*MW =	1770		
				e For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	1284	YES >	
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	879	YES	
			*Can Full Expe	cted Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(Setting Depth - Previous Shoe Depth) =	1055	5 NO	5.V.
Required Casing/BOPE Test	Pressure	2898	psi	
*Max Pressure Allowed @ P	revious Casing Shoe =	<i>8</i> 00	psi	*Assumes 1psi/ft frac gradient
			/	
Calculations	String 3	5 1/2	19	
Max BHP [psi]	.052*Setting Depth*MW =	1896		
			<b>BOPE Adequat</b>	e For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	1375	YES V	<u></u>
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	941	YES	
			*Can Full Expe	cted Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(Setting Depth - Previous Shoe Depth) =	1833	+	
Required Casing/BOPE Test		3000		
*Max Pressure Allowed @ P	revious Casing Shoe =	4053	psi	*Assumes 1psi/ft frac gradient

#### FORM 9

STATE OF UTAH

	· .	5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256				
	SUNDRY	6. IF IN	DIAN, ALLOTTEE OR TRIBE NAME:			
Do n	ot use this form for proposals to drill n drill horizontal la		7. UNIT or CA AGREEMENT NAME: Clear Creek Unit			
1. TY	PE OF WELL OIL WELL	GAS WELL OTHER_			•	L NAME and NUMBER: an 10-29
	ME OF OPERATOR:		——————————————————————————————————————	, , , , , , , , , , , , , , , , , , , ,		NUMBER:
	rion Energy, Inc.		I P	HONE NUMBER:		0731210
		McKinney STATE TX ZIP		(972) 540-2967		deat
FC	OCATION OF WELL OCTAGES AT SURFACE: 2052   1 TRIQTR, SECTION, TOWNSHIP, RAN		E		COUNT STATE:	ry: Carbon
11.	CHECK APPI	ROPRIATE BOXES TO INDICAT	E NATURE O	F NOTICE, REPO	RT. O	R OTHER DATA
	TYPE OF SUBMISSION			PE OF ACTION	, 0	
$\overline{\Gamma}$	NOTICE OF INTENT	ACIDIZE	DEEPEN			REPERFORATE CURRENT FORMATION
لسنا	(Submit in Duplicate)	ALTER CASING	FRACTURE 11	REAT		SIDETRACK TO REPAIR WELL
	Approximate date work will start:	CASING REPAIR	NEW CONSTR	RUCTION		TEMPORARILY ABANDON
		CHANGE TO PREVIOUS PLANS	OPERATOR C	CHANGE		TUBING REPAIR
	***************************************	CHANGE TUBING	PLUG AND AB	BANDON		VENT OR FLARE
✓	SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME	PLUG BACK			WATER DISPOSAL
	Date of work completion:	CHANGE WELL STATUS	PRODUCTION	(START/RESUME)		WATER SHUT-OFF
		COMMINGLE PRODUCING FORMATIONS	RECLAMATIO	ON OF WELL SITE	$\mathbf{Z}$	отнея: Intermediate Casing
		CONVERT WELL TYPE	RECOMPLETE	E - DIFFERENT FORMATION		Size
Dι		OMPLETED OPERATIONS. Clearly show all p of 7 5/8" casing, Marion Energy, I \$ set at +/- 4800'.				te casing size for the Oman
	E (D) EASE PRINT) Charlotte	Parker	TITLE	Secretary		
	NATURE NATURE	Li Parkor	DATE	0///2008		

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# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL GAS AND MINING

	DIVISION OF OIL, GAS AND MINING		5. LEASE DESIGNATION AN State ML 1256	D SERIAL NUMBER:
SHNDR	Y NOTICES AND REPORTS ON W	ELLS	6. IF INDIAN, ALLOTTEE OR	TRIBE NAME:
Do not use this form for proposals to drill	new wells, significantly deepen existing wells below current bottom-hole laterals. Use APPLICATION FOR PERMIT TO DRILL form for such pro	e depth, reenter plugged wells, or to	7. UNIT or CA AGREEMENT Clear Creek Unit	NAME:
1 TYPE OF WELL		орозана.	8. WELL NAME and NUMBER	₹:
OIL WELL	GAS WELL 🗸 OTHER		Oman 10-29	
2. NAME OF OPERATOR:			9, API NUMBER: 4300731210	
Marion Energy, Inc. 3. ADDRESS OF OPERATOR:		PHONE NUMBER:	10. FIELD AND POOL, OR W	ILDCAT:
119 S. Tennessee	TY McKinney STATE TX ZIP 75069	(972) 540-2967	Wildcat	
4. LOCATION OF WELL	÷			
FOOTAGES AT SURFACE: 2052	FSL & 1581.18' FEL		COUNTY: Carbon	•
QTR/QTR, SECTION, TOWNSHIP, RA	INGE, MERIDIAN: NWSE 29 13S 7E		STATE: UTA	Н
11 CHECK APE	PROPRIATE BOXES TO INDICATE NATU	RE OF NOTICE, REPO	RT, OR OTHER DA	ATA
TYPE OF SUBMISSION		TYPE OF ACTION		
THE OF SUBMISSION	ACIDIZE DEEPI		REPERFORATE CU	RRENT FORMATION
NOTICE OF INTENT (Submit in Duplicate)		TURE TREAT	SIDETRACK TO RE	
Approximate date work will start:		CONSTRUCTION	TEMPORARILY ABA	ANDON
, ppi somitto dato nom mit state.		RATOR CHANGE	TUBING REPAIR	
		AND ABANDON	VENT OR FLARE	
✓ SUBSEQUENT REPORT		BACK	WATER DISPOSAL	
(Submit Original Form Only)		DUCTION (START/RESUME)	WATER SHUT-OFF	
Date of work completion:		AMATION OF WELL SITE		ediate Casing
		OMPLETE - DIFFERENT FORMATION	Sizo	ediate Cashig
NAME (PLEASE PRINT) Charlott	e Parker	TITLE Secretary		
SIGNATURE ! NOULO	th Parthon	DATE 9/4/2008		
(This space for State use only)  APPROOF  OF COLL,  (5/2000)  DATE:	OVED BY THE STATE  ITAH DIVISION OF  GAS, AND MINING  GAS, AND MINING  Ge Instructions on Re	RECEIV SEP 0 4 DIV. OF OIL, GAS	Date 2008	PY SENT TO OPERATO 9: 9 · 8 · 2008 als:
	Millett	DIA OL OIL		

Well name:

43007312100000 Oman 10-29 (rev 2006-12)

Operator:

**Marion Energy Inc** 

String type:

Intermediate

Project ID:

43-007-31210-0000

Next mud weight:

Next setting BHP:

Fracture mud wt:

Injection pressure:

Fracture depth:

8.600 ppg

1,939 psi

19.250 ppg 4,053 ft

4,053 psi

Location:

Carbon Co.

Design parameters:		Minimum desigr	n factors:	Environment:		
Collapse		Collapse:		H2S considered?	No	
Mud weight:	8.400 ppg	Design factor	1.125	Surface temperature:	65 °F	
Design is based on evacu	uated pipe.	-		Bottom hole temperature		
9	• •			Temperature gradient:	1.40 °F/100ft	
				Minimum section length	: 600 ft	
		Burst:				
		Design factor	1.00	Cement top:	1,734 ft	
Burst		•				
Max anticipated surface						
pressure:	1,418 psi					
Internal gradient:	0.120 psi/ft	Tension:		Directional well inform	nation:	
Calculated BHP	1,905 psi	8 Round STC:	1.80 (J)	Kick-off point	514 ft	
	, ,	8 Round LTC:	1.80 (J)	Departure at shoe:	1965 ft	
No backup mud specified.		Buttress:	1.60 (J)	Maximum dogleg:	3 °/100ft	
•		Premium:	1.50 (J)	Inclination at shoe:	50 °	
		Body yield:	1.50 (B)	Re subsequent strings	s:	
			, ,	Next setting depth:	4,341 ft	

Tension is based on air weight.

Neutral point:

4.068 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4855	8.625	32.00	J-55	ST&C	4053	4855	7.875	1661.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1769	2530	1.430	1905	3930	2.06	130	372	2.87 J

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals by:

Phone: 801-538-5357

FAX: 801-359-3940

Date: September 4,2008 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 4053 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

FORM 9

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. Clear Creek Unit 1. TYPE OF WELL 8. WELL NAME and NUMBER: OIL WELL GAS WELL 7 OTHER Oman 10-29 2. NAME OF OPERATOR: 9. API NUMBER: 4300731210 Marion Energy, Inc. 3. ADDRESS OF OPERATOR: PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: Wildcat 119 S. Tennessee CITY McKinney STATE TX (972) 540-2967 75069 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052' FSL & 1581.18' FEL COUNTY: Carbon QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 UTAH CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF SUBMISSION TYPE OF ACTION ACIDIZE DEEPEN REPERFORATE CURRENT FORMATION NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO REPAIR WELL Approximate date work will start: NEW CONSTRUCTION TEMPORARILY ABANDON CASING REPAIR OPERATOR CHANGE TUBING REPAIR CHANGE TO PREVIOUS PLANS CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT WATER DISPOSAL CHANGE WELL NAME PLUG BACK (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE T OTHER: Spud Sundry RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The Oman 10-29 was spud on 8-26-2008. We set 40' of conductor and started the rat and mouse hole. NAME (PLEASE PRINT) Charlotte Parker Secretary 8/27/2008

(This space for State use only

# STATE OF UTAH

# DEPARTMENT OF NATURAL RESOURCES

***************************************			ENTITY ACTIO	N FORM				
Operator:	Marion	ı Energy, Inc.		Opé	rator Ac	count Nu	ımber:	N <sup>2740</sup>
Address:	119 Sc	outh Tennessee Suite 2	:00				_	
	city Mo	Kinney						
								(OTO) E40 000T
	state <sup>7</sup>	X	<sub>zip</sub> 75069	·····	F	hone Nu	mber: _	(972) 540-2967
Well 1	state 7	TX	zip 75069		P	hone Nu	mber: _	(972) 540-2967
	state <sup>T</sup> umber	•	zip 75069	QQ	Sec	hone Nu	mber: _	(972) 540-2967 County
APIN		•		QQ NWSE				·
<b>API N</b> 43007	umber	Well		NWSE	Sec	<b>Twp</b> 13S	Rng 7E	County

۱A	Ιa	. 21	1.2

API Number	Well	QQ	Sec	Twp	Rng	County	
Action Code	Current Entity Number	New Entity Number	s	Spud Date			y Assignment fective Date
omments:		A CAMBO A CAMB		······································			

#### Well 3

API Number	Well I	Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	S	pud Da	te	Entity Assignm Effective Date	
omments:		######################################					

#### **ACTION CODES:**

- A Establish new entity for new well (single well only)
- B Add new well to existing entity (group or unit well)
- ${\bf C}\ \ {\bf -}\ \mbox{Re-assign well from one existing entity to another existing entity}$
- D Re-assign well from one existing entity to a new entity
- E Other (Explain in 'comments' section)

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Scott Jacoby	Y
--------------	---

Name (Please Print)

Signature

Landman

Title

9/24/2008

Date

(5/2000)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

LOM	١

1	DIVISION OF OIL, GAS AND MIN	NING	S LEASE DESIGNATION AND SERVAL NUMBER STATE ML 1256
SUNDRY	NOTICES AND REPORTS	S ON WELLS	6. IF INDIAN, ALLOTTEE CR TRIBE NAME
Do not use this form for proposals to drift in drift horizontal to 1. TYPE OF WELL OIL WELL.	iow weits, significantly deepen bogang weits below curriculs. Use APPLICATION FOR PERMIT TO CRILL to	reni baltam-hole depith, neemler plugged weda, or to om for auch proposata	7 UNIT OF CA AGREEMENT NAME Clear Creek Unit 8 WELL NAME and NUMBER Oman 10-29
2 NAME OF OPERATOR:			9 API NUMBER
Marion Energy, Inc.			4300731210
3 AECRESS OF CPERATOR 119 S. Tennessee	_ McKinneyTX	75069 (972) 540-2967	10 PIELD AND POOL, OR WILDCAT Wildcat
4 LOCATION OF WELL FOOTAGES AT SURFACE 2052'			CCUNTY Carbon
QIRIQTR, SECTION, TOWNSHIP, RAN			STATE UTAH
11 CHECK APPI	ROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT (Submit of Duplicate) Approximate date work will start.	ACIDIZE  ALTER CASING  CASING REPAIR  CHANGE TO PREVIOUS PLANS	GEEPEN FRACTURE TREAT NEW CONSTRUCTION GERATOR CHANGE	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORABILY ASANDON TUBINS REPAIR
SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/5/2008	CHANGE TUBING CHANGE WELL NAME CHANGE WELL STATUS COMMINGLE PRODUCING FORMATIONS CONVERT WELL TYPE	PLUG AND ABANCON PLUG BACK PRODUCTION (STARTARESUME) RECLAMATION OF WELL SITE RECOMPLETE - DIFFERENT FORMATION	VENT OR FLARE     WATER DISPOSAL     WATER SHUT-OFF  ✓ OTHER Set Surface Casing
MIRU Nabors Rig # 513. Class "G" w/ 2% CaCL ar	)/5/08. Decision was made to run	jts of 9 5/8", J-55, 36# casing set surface but cement fell back app	
NAME (PLE SE PRINT) Doug End	dsley Luly	THILE         VP Operations           OATE         10/10/2008	
(This space for State use only)	$\cup$		

**RECEIVED** OCT 1 3 2008

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

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<u>[</u>	DIVISION OF OIL, GAS AND MIN		5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256
SUNDRY	NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	ow wells, significantly deepen existing wells below currer erals. Use APPLICATION FOR PERMIT TO DRILL for	nt bottom-hole depith, reenter plugged wells, or to n for such proposals.	7. UNIT OF CA AGREEMENT NAME: Clear Creek Unit
1, TYPE OF WELL OIL WELL	GAS WELL 🗸 OTHER_		8. WELL NAME and NUMBER: Oman 10-29
2. NAME OF OPERATOR:			9. API NUMBER:
Marion Energy, Inc.			4300731210
3. ADDRESS OF OPERATOR:	The state of the s	PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:
	McKinney STATE TX ZIP 7	5069 (972) 540-2967	Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052' F	FSL & 1581.18' FEL		COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANK	GE, MERIDIAN: NWSE 29 13S 7E	:	STATE: UTAH
11. CHECK APPR	ROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	ACIDIZE	DEEPEN	REPERFORATE CURRENT FORMATION
NOTICE OF INTENT (Submit in Duplicate)	ALTER CASING	FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start:	CASING REPAIR	NEW CONSTRUCTION	TEMPORARILY ABANDON
	CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR
	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
✓ SUBSEQUENT REPORT	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
(Submit Original Form Only)	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion:	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	✓ other: Drilling Update
	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORMATION	V OTHER: Drilling Opdate
<u> </u>		· · · · · · · · · · · · · · · · · · ·	
12. DESCRIBE PROPOSED OR CO	MPLETED OPERATIONS. Clearly show all pe	rtinent details including dates, depths, volum	es, etc.
As of 6:00 am, 10-13-08 w	e are drilling ahead at 3,000 ft.		
		•	
	,		
NAME (PLEASE PRINT) Charlotte	Parker	Secretary Secretary	
SIGNATURE CHATLAN	4 Parkon	DATE 10/13/2008	

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	on En	_			Conti	actor	D Nabo				Report umber: 5	513	1		rt Date rt # 15 12		14/2	800
API/UWI	Name	Licens	HT 10-	a	State/P	rovince			face Legal Lo				Spud Date	а		KB-Gr	Aard Di	slance (ft)
	31210006 Depth (NKB)	NO			Utah		Depth Pro		VSE Sec 2	9, T	138, R7E			10/2/200		L	25.0	
			3,080						•		56		AFE Nur			OBI AFE		
Rigging		point tru	ck. to ba	ick off kell	у		, .		Report Period and wiper		and look @ l	bit	Daily Cos	il Total		um Cos	To Da	tia .
	o. and Si		a 253' in	10 hrs	Circ an	d cond i	mud V	orke	d Stuck pi	ne @	3060'		Daily Mux	1 Cost	··· •	Aud Add	tive Co	it To Date
Remarks	,										*		Depth St			Current E		
No toro	jue, Mad	e conn @	3048'	drilled kell	y dn. to	3080' F	ea agnt Picked up	set ja 12'	ırsoπon∢ hlttightsp	conn at, w	rkeam kelly orked pipe to	twice No drag, 5 3060' Pipe	Target Fo	2,824 imation		erget De	3,080 opth (fix	
stuck ,	No move	ment. C	alled in	Slaugh fisi	hing co	mpany.	1,						fERRO		urs (hrs) F	mblom	5,356	
Mud C	hecks	Time	a ya haye sar wasanin masinin	In a work		Density (4		jur Nastraci	en e	- (		100 2 1 1 1 1 1 1 1 1	1	24.00				
Water		11:		Depth (RKB) 3,01	7	8.	70	Vis (s.	50	1	Calc (cp) 3.0	YP Calc (lbf/100ft*)	Rig Re	77.	77.77.	Triby	Cum	Duration
Gel (10s)	(lbf/100ft²)	Gel (10m)	(Ibf/100ft²)	Get (30m) (f	bi/100ft²)		11/30min) 2.0	Fitter	Cake (/32*) 1	ρН	7.5	Solids (%) 2.5	REPA		EN# (F	0.00		hrs) 2.00
MBT (Hort	ibl)	Percent Or	(%)	Percent Wat 98		Chlorides		ÉCD-	Manual Entr. 8.80	Cak		Electric Stab (V)	Harris	Contact			77.	
W2			* 37 <u>7</u> 7					١	6.60			1.	-	Job Con	tact		Mat	
Time L Start	14.0		Curt Dur		oraniani a	شاجر الماشة	-		<u></u>		بالأراء وللشاء بعادوس		41 -	homps: Redmo		1	5-448 5-596	
11me 00:00	End Time 04:00	Dur (hra) 4.00	(tes) 4.00	Rot.Drig.	and Si	de ( 93	) 2827		Comment 20' Wob.4	Ok R	pm.50. Gpm	.300 Diff.	Paul R	ico		40	5-326	-3560
04:00	08:00	4.00		150-250									Rig Supe Mark M			Phe	ne Mob	ile .
08:00	15:00	4.00 7.00	15.00	Circ and	build m	ud for 4	5 Vis an	4-6	water loss	3		Oiff 250-300		<del></del>				
15:00 16:00	16:00 16:30	1.00 0.50	16.00	Rot.Drig	( 32' ) 3	016' to	3048' W	b.40	k, Rpm.5	0 Gp	m.300, Diff :	250-300		et, 9P1				<u> </u>
,0.00	10.30	0.50		drag no t	orque						_	n. twice with no		ting (hp)	Rod Diame	der (in)		in) .00
16:30 17:30	17:30 19:30	1.00 2.00									pm.300 , Di	ff 250-300	Liner Suz	(in)		ol/Stk O	R (bbl/s	tk)
19:30	00:00	4.50							on connection series		and WL tru	ıck.	Pres (pst)		es (sp C	(gipm)	0.088 Eff	(%)
00:00	00:00		24.00										975.0		85	298		95
Drill <b>S</b> i						<u> </u>	ا پريوندو بيان جيشت							ting (hp)	Rod Diame	der (in)		
BHA# Bit Run	2, Steers Drill Bit	ble	<u> </u>	<u>zizak Te</u>	: :::::::::::::::::::::::::::::::::::::	IADC BIL	Duli		TFA (Inc. No.	z) (i.	Total Drill Hra (	h Yotel Avg ROP (	1,00			ol/Sik O		.00 lk)
2 Vozzles (/		R22AP,	M32499	<u>.</u>		<u></u>	·		0.75		95.50	32	Pres (pst)	6.50	cos (sp) C	(opm)	0.088	(%)
			18/18	/18			i Siri		gun (rikib) 432	- grang	Wt (1000ны) 65	BHA ROP (fi/hr) 23	, ica (pa)		voo (ap	e (Munici	-"	(**/
Drilling Vellore	Parame De	nters opth Start (f	KB) Dept	h End (ftKB)	Cum De	oth (RKB)	Dellino Go	se (brs	Com Dell T	me i	Int ROP (fi/hr)	Flow Rate (gpm)	Mud A	dditive	Amoun	ts .	dia i	
Origina WOB (100	l Hole	2,824 M (rpm)	İ	3,080	2,	243	10.0	00	95.5	0	26	300	1.000000	Descriptio JT SHE	rs.	Cost (	unit) (	onsumed 90.0
40		-w (spin) 50	SPP	(081) 9 <b>7</b> 5.0		WL (100 <del>I</del> O	Pu Str Wt 95		50 Str Wt (	100	Drilling Torque	Off Btm Tq	TORK	BUSTE				2.0
	ilic Calci			E-E		- <u>15</u> -51.			***************************************		**************************************		SUPER		. ,		- 1	427.0 5.0
	ulic Power (t 23.0		P/Area (hp.	0.4	Bit J	et Velocity 12	(fi/s) 9.0	8	t Pressure Dr 131		) % P@	bit (%) 13.5	SHINK	WRAP			1	20.0
√lax Cusi	ng AV (fi/mir 216.1	1)	Max Open	Hole AV (ft/n 237.2	nin)	Min Casin	g AV (ft/min 216.1	)	Min Ope		AV (filmin) ),4	TFA (incl Noz) (in²) 0.75	POLY		here i		- N	215.0 2.0
Drill 8t	ring Con	nponent n Describe	5					: : : : :				to a recommendation	PALLE	rs				8.0
6 3/4" N	Atr. 7/8. 5		m,		Jis	1	OD (in)	750	1D (in) 2	500	Len (ft) 26.8	Top Thread	PAC LY ENGIN		ER.	,	4	10.0
PONY I	NMDC					1		.750		750	9.7		CALCI	JM		ĺ		2.0
UBHO		··································				1		.500 .500		750 750	30.9 4.9		CARBO			<u> </u>	1	
NMDC HWDP						1		500	2.	750	30.3	38	Last Ca Casing De		tring Run	Date	Set Der	ith (NKB)
	Jars - Hy	draulic				36		.500 .500		750 750	1,099.0		Surface	ż 	10/4	/2008	7	57
IWDP						9	4	500		750	205.7							
Survey	MO (MKB)		inci (*		tzm (*)		TVD (RI	Œ)	1	vs	(ft)	DLS (*/100h)						
		2,710 2,774		7.90 7.40	320.8 320.5				2,355 2,398	***	1,136.93	1.00						
		2,838	4	7.10	320.3				2,441		1,184.14 1,231.02	0.85 0.52	1 1					
		2,902 2,966		8.10 8.20	320.2 319.8				2,485 2,527		1,278.17 1,325.71	1.57	11					
		1,000		D.201	J 10.0	91			2,321		1,323,71	0.49						
													1					
													li					

Page 1/1

Report Printed: 10/14/2008

www.peloton.com

Marion Energy, Inc. **Daily Drilling Report** Report Date: 10/15/2008 Report # 16 Contractor: Nabors Rig Number: 513 **DFS: 13** Well Name: Oman 10-29 I kromen No KB-Ground Distance (ft) 43007312100000 Utah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Current Depth (ftKB) AFE Number Total AFE + Sup Amount Operations Next Report Perfor Daily Cost Total et To Date @ 6:00 am.TOH, with bit # 2 Change out bits and TIH, Drig ive Cost To Dai Worked stuck pipe, unfreeze ice out of kelly, Free point @ 177' set back kelly, Pick up surface jars, After 4-5 hits jars locked up, picked up second set, while jarring dn. the Dn. hole jars started working, Layed down surface jars, picked up kelly and jar on pipe, Setting jars off @ 80 over. Depin Start (flKB) Depth (ftKB) 3,080 3,080 Target Formation arget Depth (ftKB) @ 03:00 Pipe came free and circ @ 2995', Pumped 3- Jts. out with kelly and set kelly back and TOH. **FERRON** 5,356 Time Log Total Hor Mud Checks 24.00 epth (ftKB) y (lb/gal Calc (lbf/100ft²) Rig Repairs Water Base 00:10 3,080 8.70 43 5.0 5 Get (10s) (fbf/100ft²) Sel (10m) (Ibf/100f (30m) (lbf/100ft e (mL/30n Cake (/32\*) Code 2 REPAIR RIG 6.2 8.0 2.0 6.00 8.00 MBT (lb/bbt) ent Oil (%) ECD - Man Calcium (mg/i.) 98 Daily Contacts 1.100 9.21 Time Log Jerry Thompson 435-448-9671 Chuck Redmon 405-596-4120 End Time Dur (brs) Paul Rico 405-326-3560 00:00 06:00 6.00 6.00 Breaking bull plug out of top of swivel for free point truck 06:00 12:00 6.00 12.00 unfreeze ice out of inside of swivel and kelly Rig Supervisor 13.00 Free point @ 177' set kelly back, Pick up 1- DP. screw back in to fish Mark Meyer 12:00 13:00 1.00 13:00 15:00 2.00 15.00 Retrive MWD, with wire line truck Mud Pumps 15:00 15-15 0.25 15.25 Nabors J.S.A. with crews ( Ssfety meeting. #1, Nat, 9P100 Pump Rating (hp) Rod 16:00 15:15 0.75 16.00 Pick up surface jars. (in) Stroke (in) 16:00 16:15 0.25 16.25 Nabors J.S.A. with crew 1,000.0 9.00 16:15 17:00 0.75 17.00 Jarred on pipe 4-5 times with surface jars and jars locked up OR (bbl/stk) Liner Size (m) 17:00 21:30 4.50 21.50 Wait on jars, Did not try to circ or fill pipe because of freezing weather, 6.50 0.088 21.30 21:45 21.75 Nabors J.S.A. with crew. Note this is a Nabors safety man shutting rig down and doing all these J.S.A 0.25 Pres (psi) Sirokos (sp Eff (%) 24.00 Jarred down on surface jars, and drill string jars started working. Layed down surface jars. After making a foot and a half picked up kelly and tryed to break circ 21:45 00:00 2 25 # 2, Nat, 9P100 Pump Rating (hp) Rod 1,000.0 while jarring on pipe. 9.00 Liner Size (in) . (xta\ldd) RC **Drill Strings** 6.50 0.088 ET (%) BHA #2, Steerable Bit Run | Driff Bit ACC BLOW TFA (incl Nor) (i... Total Dritt Hrs (h... Total Avg ROP ( 8 3/4in, R22AP, M32499 0.75 95.50 Mud Additive Amounts
Description C
TORK BUSTER String Wt (1000lbf) HA ROP (NA) 18/18/18 1,432 65 Drilling Parameters
Wellbore | Depth Start (MKB) | Depth End (ffKB) | Cum Depth (ffKB) | Drilling Time (ms) | Cum Drill Time (... int ROP (fthr) SOLPHALT 1.0 low Rate (oom SUPER GEL 56.0 300 POLY PLUS WOB (1000lbf) F Wt (100 >U Str Wt (100... 1.0 SO Str WI (100 50 SAW DUST 40 975 0 90 95 65 6.0 SHINK WRAP 8.0 Hydraulic Calculations PALLETS aulic Powe 23.0 8.0 Velocity (R/s) re Droo (rei PAC LV 20.0 0.4 129.0 131.2 13.5 Last Casing String
Casing Description Rum Date Set Depth (fIKB)
10/4/2008 757 TFA (incl Noz) (m²) 216.1 237.2 70.4 0.75 Drill String Components 6.750 10 (m) 2.500 Top Thre 6 3/4" Mtr. 7/8, 5.0 26.83 PONY NMDC 6.750 2.750 9.78 NMDC 6.500 2.750 30.90 UBHO 6.500 2.750 4.96 NMDC 6.500 2.750 30.38 HWDP 36 4 500 2.750 1,099.00 Drilling Jars - Hydraulic 4.500 2.750 23.45 HWDP 4.500 2.750 205.70 Survey Data nci (\*) 47.90 Azm (°) 320.80 DLS ("/100R) 2,710 2,355 1,136.93 1.00 2,774 47.40 320.50 2,398 1,184.14 0.85 2,838 47.10 320.30 2,441 1,231.02 0.52 2,902 48.10 320.20 2,485 1,278.17 1.57 2,966 48.20 319.80 2.527 1,325.71 0.49

Marion Energy, Inc. Report Date: 10/16/2008 **Daily Drilling Report** Report # 17 Contractor: Nabors Rig Number: 513 DFS: 14 Well Name: Oman 10-29 KB-Ground Distance (ft) 43007312100000 Utah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Current Depth (ftKB) Total AFE + Sup Amount @6:00AM Rot.Drlg. @ 3085 Rot.Drlg and Slide and run surveys Jar stuck pipe free, TOH. cond mud and repair toe board on derrick board, Repair hydraulic lines to bope. and function test bope, Pick up bit.motor and MWD.tool. TIH. to 500' and test motor, TIH with bit#3 depth of bit on trip @ report time 2510' Depth Start (ftKB) urrent Depth (ftrt8) 3,080 Target Formation mot Depth (ftKB) Reamed 31' of ungaged hole, Wob.6-8k Rpm.50, Fuel used in last 24hrs.500 gals. Fuel on hand 7968 gals FERRON 5,356 Time Log Total Ho Mud Checks 24.00 Depth (ftKB) YP Calc (lbf/100ft<sup>2</sup> Rig Repairs Water Base 00:00 3,080 8.60 43 4.0 Code 2 REPAIR RIG Gol (10s) (lbf/100ft<sup>2</sup>) Get (10m) (lbf/100ft²) Get (30m) (lbf/100 Cake (/32°) 14.75 6.6 2.0 ercent Off (%) Electric Steb (V) ides (mg/l.) Calcium (mg/L) Daily Contacts 98 1,150 8.89 Jerry Thompson 435-448-9671 Time Log Chuck Redmon 405-596-4120 Our (hrs) 3.00 (hrs) Paul Rico 405-326-3560 3.00 Jar on stuck pipe, setting Jars off @ 80k over string Wt. with surface jars until drilling jars started working, Layed down surface jars. Work jars and useing 00:00 03:00 pump psi, Pipe came free Mark Meyer 03:00 07:00 07:00 10:00 7.00 TOH, for short trip and to look @ bit. 4.00 Mud Pumps 10.00 Load hole with mud @ specks and Circ steel pits while building vol in mud system 3.00 #1, Nat, 9P100 Pump Rating (hp) Rod D And rig repair. (in) Stroke (in) 10:00 13:45 13.75 Pre-fab toe board for derrick board, and install, 1.000.0 13:45 16:45 3.00 16.75 Rig Repair, work on Bop. rams, And function test Bop. OR (bibl/stk) Liner Size (in) 6.50 16:45 19:45 3.00 19.75 Make up bit, motor, and MWD, tools 975.0 Strokes (sp 0.088 19:45 20:15 20:15 21:15 0.50 20.25 TiH. with bit # 3 on steerable assy. (FR/W) 298 1.00 21.25 Pick up kelly and test MWD tools (OK) #2, Net, 9P100 Pump Rating (hp) IRod 21:15 00:00 24.00 TIH. with bit # 3 on steerable assy. 1,000.0 Drill Strings 9.00 BHA #3, Steerable 6.50 0.088 Total Drill His (h... Total Avg ROP ( Pres (psi) 3 8 3/4in, R22AP, M32506 Q (gpm) 0.75 String Length (ftKB) String Wt (1000bf) BHA ROP (MAY) 18/18/1B Mud Additive Amounts
Description (
TORK BUSTER Drilling Parameters

Wollbore | Depth Start (TKB) | Depth End (RKB) | Cum Depth (TKB) | Onling Time (hrs) | Cum Drill Time (... Int ROP (f/film) Flow Rate (gpm) 5.0 3,080 300 SOLPHALT WOB (1000mbf) 9.0 W (rpm) PU Str Wt (100. Str Wt (100... SO Ser Wt (100 ... Drilling Ton SHINK WRAP 40 65 3.0 POLY PLUS 1.0 Hydraulic Calculations
Bit Hydraulic Power (hp) PAC LV 2.0 Liet Velocity (fr/s) re Dmo (osi) PALLETS 22.5 0.4 3.0 128.3 128.3 13.2 ENGINEER SER Max Cousing AV (ff/min) 1.0 Min Casing AV (ft/min TFA (incl Noz) (in²) 216.1 70.4 CALCIUM 237.2 216.1 3.0 0.75 Drill String Components CARBONAT Last Casing String 6 3/4" Mtr. 7/8. 5.0 6.750 2.500 26.07 Set Depth (ftKB) PONY NMDC 6.750 2.750 9.78 Surface 10/4/2008 NMDC 6.500 2.750 30.90 HAHO 6.500 2.750 4.00 NMCC 6.500 2.750 30.38 HWOP 36 4.500 2.750 1,099.00 Drilling Jars - Hydraulic 4.500 2.750 23.45 HWOP 4.500 183.99 Survey Data 47.90 Azm (°) 320.80 OLS (\*/1008) 2.710 2,355 1,136.93 1.00 2,774 47.40 320.50 2,398 1,184.14 0.85 2.838 47.10 320.30 2,441 1,231.02 0.52 2 902 48.10 320.20 2,485 1,278.17 1.57 2,966 48.20 319.80 2,527 1,325.71 0.49

Committee   Comm	Marion Ene	ergy, Inc.			Daily Dri	ling Repo	ort			te: 10/17/2008
	Well Name	: Oman 10-		ractor: Na	bors	Rig Numbe	er: 513			10
Committee   Comm	API/UWI	License No.	State/				· · · · · · · · · · · · · · · · · · ·			K8-Ground Distance (ft
1.13   Count		N }	Utan			c 29, T13S, R	7E		·	30m
Digiting out cellar to repair well head and casing.   Repair well head and casing.   Title and resume drilling   Compensation Similary   Compensatio				į						
The with bit 33, Wesh and ream to Birn. (\$2" of undergaged hole). PRIA Drig (\$3") along the sading just below \$9" 58" well head, for good). TOH. Non bop and cut off 95" well head did gift in a property of the sading. Free to the property of the sading for the sading. Free to the property of the sading. Free to the sading. Fr	Digging out cells	ar to repair well	head and casing.				and resume	drilling	Daily Cost Total	Cum Cost To Date
Content   Cont	TIH with bit #3, 1	Wash and ream	to Btm. ( 52' of u	indergaged h	ole ) Rot.Drig (3:	3') 3080' to 311	3' Attemp	ted to	Daily Mud Cost	Med Additive Cost To Date
Note   Color	patch casing jus	t below 9 5/8 w	ell head,( no good	d) TÖH, N-Di	n. bop and cut o	ff 9 5/8 well he	ad And dig	Dn. around		
Second Compared to Nat The Codesing, Fuel used on last 24thes, 500gais Fuel on hand 7568 gails   Mod Checks	Hemarks		-						Target Formation	Target Dopth (fiKB)
Mind Checks   Mind Color   Depth (Mild)   String   Stri	dig cellar deepe	i noie in casing t r to fix the cas <del>i</del> n	below well head, ig. Fuel used in la	Head did not est 24hrs.500;	have a wear bu gals Fuel on har	shing , We hav Id 7568 gels	e a back ho	e set up to	Time Log Total Hours (hrs)	
Type	Mud Checks						3455		)	
REPAIR RIG   0.00   14.7   2	Type		1 ' ' '							Cum Duration (his)
Mary (banks)   Percent Cal (%)   Percent Cal (		Gef (10m) (8bf/1006*		Filtrate (mU/30m	in) Filter Cake (/32	') pH		(%)		
Time   Log			, ,	Chlorides (mg/L)	ECD - Manual E		(L) Electri			· 4000-0001
Table   Fire   Dur (No.)   During   D			98	900	10.30		<del>1</del>	· · · · · · · · · · · · · · · · · · ·	Jerry Thompson	
Process   Proc	Start			<u> </u>		- 12.00 (1)	American del manerican		1 1 1 1 1 1 1	
10.500   1.500   5.50   Wash and rearn to Btm. (527) 3048° to 3080° (undergaged hole)		the contract of the contract o	TIH. with bit #3	on steerable		<u> 18 4 - 19 (19 - 1</u>			· · · · · · · · · · · · · · · · · ·	
1.0   1.0		1.50 5.50	Wash and ream	to Btm. (52')	3048' to 3080' (		ale)			
19.50   0.63   0.50	06:00 08:00	2.00 8.00	Rot.Drlg.(33') 30	080 to 3113° F	Rop. 16.5 Wob 2	0-30k Rpm.50	, Gpm.300.	Diff.200		<u> ,                                   </u>
12-00		0.50 8.50	Circ while inspe	cting 9 5/8 c	asing below wel	head for leaks	3		Pump Rating (hp) Rod Dia	
12.00	09:00 12:00	3.00 12.00	Attempt to patch	crack in 9 5	8 casing below	well head.				
17.30   23.00   5.50   23.00   N-Dn BOP and cut off 9 5/8 well inead   23.00   0.000   1.00   24.00   0.0										0.088
Drill Strings   Strings   Strings   Strings   Strings   Strings   Strings   String	17:30 23:00	5.50 23.00	N-Dn. BOP and	cut off 9 5/8	well head				975.0 85	
BIA 43   Steerable   BIA 5   Steerable   BIA		1.00 24.00	Dig out around	Cond. pipe to	repair 9 5/8 ca	sing.			Pump Rating (hp) Rod Dia	ameter (in)  Stroke (in)
Bit   Part   P		Nin		the same in the						
Name	Bit Run Drill Bit	-Martin Colonia and Colonia per	onen. Wasananin Milita O	IAOC BR Duil						0.088
Drilling Parameters   Drilling Parameters   Depth Start (RKB)   Depth End (RKB)   Drilling Time (Iris)   Cum Drill Time ( Int RDP (Pthir)   Flow Rate (gpin)   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   17   300   300   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   3,113   33   2.00   2.00   3,113   33   2.00   2.00   3,113   33   2.00   3,113   33   2.00   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   2.00   3,113   33   2.00   3,113   33   2.00   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   2.00   3,113   33   3,11	Nozales (/32")								circus (ap.	catiggen) en (10)
Melicine   Depth Start (fix(R))   Depth End (fix(R))   Carls Depth (fix(R))   Depth (fix(R))   Depth (fix(R))   Carls Depth (fix(R))	Drilling Parame		V/18	e de la Territoria.	1,409	64		17	Mud Additive Amou	ınts
NOS (1000eb)   RPM (rpm)   SPP (pel)   Dell's W (100.   PU Ser W (100.   SO Str W (100.   Delling Torque   Orf Birn Tq   SOL PHALT   16.6   SO Str W (100.   Delling Torque   Orf Birn Tq   SOL PHALT   16.6   SO Str W (100.   Delling Torque   Orf Birn Tq   SOL PHALT   16.6   SOL	Wellbore De	pth Start (ftKB) Dep	th End (ftKB) Com O							Coat (Amin   Consumer 140.0
Hydraulic Calculations	WOB (1000tbf) RP	M (rpm) SPP	(psi) Driff Str	Wt (100 Pu St	r Wt (100, SO Str	Mt (100 Drilling			1 12 12 12 12 12 12 12 12	16.0
Richydraulic Provide (hp)   PPA/Area (hpAm?)   Bit Jet Velocity (thr)   Bit Jet Velocity (thr)   Bit Pressure (hrp (psi)   N P @ bit (%)   22.7   0.4   128.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   129.8   13.3   13.3   129.8   13.3   129.8   13.3	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ار بر <del>اد درستان براد</del>	8/5.0	90	95	55		<del>outer gree</del> and	SAW DUST	44.0
Adam Costing AV (firmin)   Max Open Hote AV (firmin)   Min Casing AV (firmin)   Min Open Hote AV (firmin)   TFA (find Noz) (fin')   216.1   237.2   216.1   70.4   0.75	3it Hydraulic Power (h	p) HP/Area (hp							V .	3.0
Drill String Components   String Components   String Components   String Components   String Components   String Components   String Control   String Components   String Control   String Cont	Max Cosing AV (ft/min	Max Oper	Hole AV (ft/min)	Min Casing AV (F	Vmin) Min (	hom Hoke AV (ft/mir			PAC LV	14.0
Read Description   Jis   OD (in)   D (in)   Len (it)   Top Tirred   CALCIUM   23.0		sponents	237.2	216	1	70.4		0.75		
Converge			Ja	Ot				op Thread		23.0
The color of the	PONY NMDC			1	6.750	2.750				<u> </u>
NMDC   1   6.500   2.750   30.38   30.38   4.500   2.750   1,099.00   2.750	UBHO	-		and the second					Casing Description Ru	
Orlling Jars - Hydraulic 1 4.500 2.750 23.45 HWDP 9 4.500 2.750 183.99 Survey Data MD (RKB)   Incl (*)   Azm (*)   TVD (RKB)   VS (R)   DLS (*/160h)   2,774 47.40 320.50 2.398 1,182.52 0.85 2,838 47.10 320.30 2.442 1,229.41 0.52 2,902 48.10 320.20 2.485 1,276.56 1.57 2,966 48.20 319.80 2,528 1,324.11 0.49	NMDC				6.500	2.750	30.38		Surface 9 5/8, 36# 10	1/4/2008   757
HWDP   9   4.500   2.750   183.99	Drilling Jars - Hy	draulic								
MD (RK8)   Incl (*)   Azin (*)   TVD (RK8)   VS (R)   DLS (*/100R)   2,774   47.40   320.50   2.398   1,182.52   0.85   2,838   47.10   320.30   2,442   1,229.41   0.52   2,902   48.10   320.20   2,485   1,276.56   1.57   2,966   48.20   319.80   2,528   1,324.11   0.49		·		9	4.500					
2.838     47.10     320.30     2,442     1,229.41     0.52       2.902     48.10     320.20     2,485     1,276.56     1.57       2.966     48.20     319.80     2,528     1,324.11     0.49	MD (RKB)									
2,902     48.10     320.20     2,485     1,276.56     1.57       2,966     48.20     319.80     2,528     1,324.11     0.49			4					i i		
2.000			48.10 320.2	20	2,485	1,276.	56	1.57		
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Marion Ene	ergy, Inc.		Contract			ling Report Rig Number:	513	Report #	ite: 10/18/2008 19
Well Name							0.0	DFS: 16	
АРИЈЖІ 4300 <b>7</b> 31210000	License Ni XX	j.	State/Province Utah	9	NWSE Se	Location c 29, T13S, R7E		Spud Date 10/2/2008	KB Ground Distance (f 25.00
Current Depth (ftKB)	3	.113		Depth Pr	ogress (fKB)			AFE Number	Total AFE + Sup Amount
Operations at Report Washing over 9	Time				ns Next Report Per			Dally Cost Total	Cum Cost To Date
Operations Summary	,				over 9 5/8 cas			Daily Mud Cost	Mud Additive Cost To Dat
gamer pumps.	Napors Sho	coown ng un	aı onağe binê	was set ):	et puage bing	@ 620', Rig up re	verse unit and	Depth Start (fikB)	Current Depth (fIKB)
Remerks Hole is taking 9.	5 bbls pre.i	r over 9.5 hn	s., Fuelused	l in last 24h	nrs.650 gals , i	Fuel on hand 7876	gals	3,113 Target Formation	3,113 Target Depth (ftKB)
Mud Checks								fERRON Time Log Total Hours (fire	5,356 Problem Time Hours (tire
Type Water Base	Time 18:00	Depth (ftK 3,1	113	ly (lb/gal) 8.60	Vis (s/qt) 39	PV Calc (cp) 11.0	YP Galc (lbf/100ft²) 4	24.00	
Gel (10s) (#b#/100ft²) 2	Geal (10m) (Bbb) 3	100ff*) Gol (30m)			Filter Cake (/32")	рH 8.0	Solids (%) 2.0	Rig Repairs	Com Duration (hrs) (hrs)
MBT (Ib/bbl)	Percent Oil (%	- 5	fater (%) Chlori 8	des (mg/L) 1,200	ECD - Manual Ei	ntr Calcium (mg/L)	Electric Stab (V)	REPAIR RIG	0.00 14.7
Time Log		<del> </del>		200				Daily Contacts Job Contact	Mobile
	Our (hrs) (	m Deir Nra)		in a second contract of	Comment	···		Jerry Thompson	435-448-9671
00:00   06:00 06:00   16:30		6.00 Dig out 6.50 Setting		and waiting	on Will truck t	o set bridge plug.		Chuck Redmon Paul Rico	405-596-4120 405-326-3560
16:30 17:30 17:30 19:30	1.00 1	7.50 J-W Wi	reline set brid	ge plug @	620'			Rig Supervisor	Phone Mobile
19:30 00:00		4.00 Rig up i	snut down ng everse swive	for U-A ar	nd alcohol drug or pumps to wa	test on rig. ash over 95/8 cas	sing	Mark Meyer	<u> </u>
Drill Strings		Angeles and consider a second of						# 1, Nat. 9P100	ئىنى ئى ئىلىنى ئىسلىكىكىدىكىكىدىكىكىدىكىكىكىكىكىكىكىكىكىكى
BHA #3, Steera Bit Run   Drill Bit			JADO	Bit Dull	TFA (incl	Noz) (i Total Drill Hrs	(h Total Avg ROP (	Pump Rating (hp) Rod Di. 1,000.0	9.00
3 8 3/4in, Nozdes (/32*)	R22AP, M3	2506		  Str	0.7 ing Length (fIKB)		1,557 BHA ROP (Mhr)	Limer Stze (In) 6.50	Volvšík OR (bbvsík) 0.088
Drilling Parame	· · · · · · · · · · · · · · · · · · ·	8/18/18		Ĺ	1,409	64	17	Pres (psi) Strokes (sp.	O(gpm) Eff(%)
		Depth End (feks	Cum Depth (ft)	CB) Drilling Ti		Time ( Int ROP (ft/hr		#2, Nat. 9P100 Pump Raling (hp) Rod Di	ameler (k)) Stroke (in)
	M (rpm) 50	SPP (psi)	Orill Str Wt (10	ō PU SI W	(100 SO Str W	n (100 Drilling Torqu	300 of 8bn Tq	1,000.0 Liner Size (in)	9,00 Vol/Stk OR (bb/stk)
Hydraulic Calcu	dations	975.0	90	9!	5 6	<b>b</b>		6.50	0.088
Bit Hydraulic Power (h 22.5		38 (hp/ln²) 0.4	Bit Jet Veto	city (ft/s) 128.3	Bit Pressure	Drop (pst) %, P €	2 bit (%) 13.2	Pres (psi) Strokes (sp.	Q (gpm) Eff (%)
Wax Casing AV (fumin 216.1	Max	Open Hole AV (fl 237.2		ising AV (ft/mi 216.1		pen Hole AV (ft/min) 70.4	TFA (incl Noz) (in²) 0.75	Mud Additive Amo	ınts
Drill String Com	iponents n Description			4500		1000000		Description SUPER GEL	Cost (/unit)   Consumer 140 (
6 3/4" Mtr. 7/8, 5 PONY NMDC	.0		Jts		750	2.500 26	7op Thread 07	SOLPHALT SHINK WRAP	16.0 5.0
NMDC						2.750 9 2.750 30	78	SAW DUST POLY PLUS	44.0
JBHO VMDC					3.500	2.750 4.	00	PALLETS	5.0
HWDP			30	5 4	.500	2.750 30 2.750 1,099		PAC LV MICA	26.0
Orilling Jars - Hy ⊣WOP	draulic					2.750 23. 2.750 183.		ENGINEER SER.	1.0
Survey Data MO (RKB)	· · · · · · · · · · · · · · · · · · ·	frict (*)	Azm (*)	TVD (fi		V\$ (fb)		CARBONAT	147.0
	2,774 2,838	47.40	320.50	.4 10 10	2,398	1,182.52	DLS (71008) 0.85	COTTON HULLS	43.0
	2,902	47.10 48.10	320.30 320.20		2,442 2,485	1,229.41 1,276.56	0.52 1.57		in Date Sel Depth (ftK8)
	2,966 3,030	48.20 48.40	319.80 319.70		2,528	1,324.11	0.49	Surface 9 5/8, 36# 1	0/4/2008 757
	- 3,000	46.40	319.70		2,570	1,371.75	0.33		
							į		
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							\$ 		
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Marion Ene	ergy, Inc.	Cont	ractor: Nat		ing Report	542	Report # 3	te: 10/19/2008 20
Well Name	: Oman 10-		iaciui. Mäl	voia h	ug number:	013	DFS: 17	
API/UWI	License No.	State/F	rovince	Surface Legal L			Spud Date	KB-Ground Distance
4300731210000 Current Dopth (RKB)	ru	Utah			29, T13S, R7E		10/2/2008	25.00
	127		Depth	Progress (RKB)	127		AFE Number	Total AFE + Sup Amoun
Persions at Report We have made		ning spear on ca	sing Cut o	ions Next Report Periods asing, TOH, TIH casing and ceme	and spear casing ent and weld on 9	, lay dn. and run	Daily Cost Total  Daily Mud Cost	Cum Cost To Date  Mud Additive Cost To Da
perations Summary							1	1 4 11
tornarks		power swivel, W i, Fuel on hand 7		3 casing from 0-1	27' with KB., TOH		Dopth Start (ftKB)  0  Target Formation	Current Depth (ftK8) 127 Terget Depth (ftK8)
Mud Checks						Carrier and the second	fERRON	5,356
ype .	Time	Depth (ftK8)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)	Time Log Total Hours (hrs) 24.00	Problem Time Hours (hr
Vater Base ol (10s) (b//1001/)	13:00 Gel (10m) (b//1008/)	3,113 Get (30m) (lbf/100ft²)	8.70 Filtrate (mi/30mir	55 Filter Cake (/32*)	20.0	17 Solids (%)	Rig Repairs	
2 (BT (16/156)	3 Percent Oli (%)	Percent Water (%)	5.2 Chkrides (ing/L) 1,000	1	7.5 r Cakcium (mg/L)	2.0 Électric Stab (V)	Code 2 Dui	(hrs) Cum Duratio (hrs) (hrs) 0.00 14
		1	1,000	9.00	- 1	<u>L </u>	Daily Contacts	
ime Log Start	Cusp Dur		بالمنظومين والمرادية والمحادث		<u> </u>		Job Contact Jerry Thompson	Mobile 435-448-9671
Time End Time 0:00 05:30	Dur (has) (hrs) 5.50 5.50	Wait on tongs		Comment			Chuck Redmon	405-596-4120
5:30 09:00	3.50 9.00	Rig up tongs an	d power swive	ī			Paul Rico	405-326-3560
9:00 22:00 2:00 00:00	13.00 22.00	Wash over 9 5/6 TOH, to pick up	3 casing 127' v	vith a 20' KB.			Rig Supervisor	Phone Mobile
	4.00 24.00	TOTT. IS DICK UD	casing cutter	IUOI.			Mark Meyer	
orili Strings 3HA #4, Wash o	War soni		and the second				Mud Pumps	
lt!Run Drill Bilt			IADC Bit Duff	TFA (incl N	loz) (i Total Drill Hrs (	h Total Avg ROP (	# 1, Nat, 9P100 Pump Rating (hp) Rod Dia	
4 11 3/4in ov./tes (/32")	, Hydrill, SFS336	52			11.00 String Wt (1000Hbi)	12 BHA ROP (ft/hr)	1,000.0 Liner Size (in)	9.00 Vot/Stk OR (bbl/atk)
			]	145	and at the contral	12	6.50	0.088
rilling Parame /ellbore De		h End (RKB) - Cum De	rish (RKB) (Drillien	Time (hrs) Com Dea	Time ( Int ROP (ft/hr)	Flow (Into (gpm)	Pres (psi) Strokes (sp. 80.0 60	Q (gpm) Eff (%) 211 95
inginal Hole	0	127 1	127 1	1.00 11.0	00 12	220	# 2, Nat, 9P100	<del></del>
1,000	M (rpm) SPP 50			WI (108 SO Str WI 5,000 13,0	(100 Driffling Torque	Off Estm Tq	Pump Rating (hp) Rod Dia 1,000.0	meter (in) Stroke (in) 9.00
ydraulic Calcu	lations				· · · · · · · · · · · · · · · · · · ·		Liner Size (in) 6.50	Vol/Sik OR (bbl/sik)
Hydraulic Power (h 16.5	p) HP/Area (hp/	ທາ) Bit J 0.2	let Vetocity (ft/s)	68 Pressure D	yrop(psa) %,P@(	bit (%)	Pres (psi) Strokes (sp.	0.088 Q (gpm) Eff (%)
ex Casing AV (ft/min		Hole AV (ft/min)	Min Casing AV (fl/		en Hole AV (ft/min)	183,3 TFA (incl Noz) (in²)	il	L,,
90.9 orli String Con	university -	0.0	90.9	<u> </u>	0.0	L.,.,.,.,.,	Mud Additive Amou	
Iten	Description	Jis.	OD OD	(în) ID (în)	Len (ft)	Top Thread	Description COTTON HULLS	Cost (/unit) Consum
vash over shoe vash pipe				11.750 11.750	4.		ENGINEER SER.	1
ash over pup J	L		a hamanana	11.750	96. 7.		PAC LV	19
op sub X sub			1	11.750	2.		SHINK WRAP	3
ill pipe			1	4.500 4.500	2. 31.		SUPER GEL	86
urvey Data					· · · · · · · · · · · · · · · · · · ·	201	Lest Casing String Casing Description Ru	n Date Set Depth (ftKb)
MD (ffKB)	thol (*	) Azm (*)	מעד	(fiks)	VS (n)	DLS (*/100ft)	11 " 1	0/4/2008 757
/w.peloton.co				Page			Report F	

Report Printed: 10/19/2008

#### Marion Energy, Inc. **Daily Drilling Report** Report Date: 10/20/2008 Report # 21 Contractor: Nabors Rig Number: 513 DFS: 18 Well Name: Oman 10-29 Surface Legal Location NWSE Sec 29, T13S, R7E KB-Ground Distance (ft) 43007312100000 10/2/2008 25.00 Current Death (BKB) Depth Progress (ftKB) AFE Number Total AFE + Sup Amount Operations at Report Time Daily Cost Total Cum Cost To Date 75% finished Nippling up BOP N-up BOP, Yest bop , Pick up BHA, TiH with steerable Daily Mud Cost TOH, pick up spear, Spear 9 5/8 casing and lay down.3-Jts., Rig up and run 3-Jts on a patch assy. Cement with 150 sack 2%, top off cellar and stayed, WOC, Cut off and weld on new 9 5/8 slip on well head. Depth Start (ftKB) orrent Dopth (ffKB) 3,113 3,113 Target Formation Farget Depth (ftKB) Fuel used in last 24hrs, 520 gals, Fuel on hand 6969 gals **FERRON** 5,356 Time Log Total Hours (hr Problem Time Hours (hrs) Mud Checks 24.00 ty (th/get) P Calc (lbf/100fi Rig Repairs Water Base 13:00 3,113 8.70 Gel (10m) (66/100N\*) Get (30m) (166/100N\*) Filtrate (mi//30i 50 17 Cum Duration Gel (10s) (b//100ft\*) Cake (/32\*) olids (%) (PBE) 5.2 0.00 2.0 14.75 MBT (Ib/bbi) ercent Oil (%) rides (ma/L ECD - Manual Entr. Calcium (mg/L) Daily Contacts Job Contact 1,000 9.08 Mobile Jerry Thompson Time Log 435-448-9671 Chuck Redmon 405-596-4120 Paul Rico 405-326-3560 00:00 04:00 4.00 4.00 TOH, to pick up casing cutting tool 04:00 07:30 3.50 7.50 TIH casing cutter tool. Rig Supervision 07:30 Mark Meyer 10:30 3,00 10.50 TOH, and lay down wash pipe 10:30 12:30 2 00 12.50 Pick up spear and pick up 9 5/8 casing , Lay down 3-Jts 9 5/8 casing Mud Pumps 12:30 13:00 0.50 13.00 Held post job safety meeting with casing crew and cement crew. #1, Nat, 9P100 Pump Rating (hp) Rod 13:00 15:00 15.00 Rig up and run 3-tis 9 5/8 casing , tag top of casing @ 92', set patch collar and pulled 100k to make sure pack off set. 2.00 1.000.0 9.00 16.00 Set 500# sand on top of bridge plug and cement with 150 seck 2.1 cacl, 1/4#/sk floocie , Siurry # 15.8 , Siurry yield 1.15 , gal./sk 5 15:00 16:00 1.00 Vol/Sitk OR (bbl/six) Liner Size (in) 6.50 0.088 16:00 22:00 22.00 Wait on cement and clear out cellar, Cement did not fell back 6.00 Pres (pal) Strokes (sp. Q (apm) Eff /%) 22:00 00:00 2.00 24.00 Cut off 9 5/8 casing and weld on well head. #2, Nat, 9P100 Pump Rating (hp) Rod Di **Drill Strings** (m) Stroke (m) BHA #5, Steerable Bit Rim Drill Bit 1,000.0 9.00 IADC Re Dut Liner Size (in) OR (bb/stk) 4 8 3/4in, R22AP, M32506 6.50 2.00 1,557 0.088 Pres (psi) String Length (fiKB) IA ROP (fuhr) 1,409 64 Drilling Parameters | Depth Start (fiKB) | Depth End (fiKB) | Cum Mud Additive Amounts Description Depth (ftKB) Drilling Time (hrs) Cum Drill Time ( ... int ROP (ft/hr) Flow Rate (gpm) 3,113 3.113 0.00 PACLV 9.0 WOB (1000lbf) Wt (100 ... PU Str Wt (100 ... SO Str Wt (100 ... Drilling Torque Off Btm To ENGINEER SER. 40 50 975.0 95 1.0 90 65 **COTTON HULLS** 3.0 Hydraulic Calculations Last Casing String Casing Description Run Date re Drop (psi) Set Depth (RKB) Max Casing AV (ft/min) Surface 9 5/8, 36# 10/4/2008 Min Casing AV (filmin) Min Open Hole AV (fi/min) TFA (Incl Noz) (in<sup>2</sup>) Drill String Component OO fini 6 3/4" Mtr. 7/8, 5.0 26.07 6.750 2.500 PONY NMDC 6.750 2.750 9.78 NMOC 6.500 2.750 30.90 UBHO 6.500 2.750 4.00 NMDC 6 500 2.750 30.38 HWDP 36 4.500 2.750 1,099.00 Drilling Jars - Hydraulic 4 500 2.750 23.45 HWDP 4,500 2.750 183.99 Survey Data MO (NKB) nci (\*) 47.40 am (\*) 320.50 TVD (fike) DLS (\*/100R) 2,774 2.398 1,182.52 0.85 2,838 47.10 320.30 2.442 1,229,41 0.52 2,902 48.10 320.20 2.485 1,276,56 1.57 2,966 48.20 319.80 2.528 1,324.11 0.49 3,030 48.40 319.70 2.570 1,371.75 0.33

Marion Ener	gy, Inc.	Contr	actor: Nabe	Daily Drillin ors Ri	ng Report ig Number:	513	Report #	ate: 10/21/2008 22
Well Name:	Oman 10-	29					DFS: 19	
43007312100000	License No.	State/Pr Utah	nvince	NWSE Sec 2	cation 29, T13S, R7E		Spart Date 10/2/2008	K8-Ground Distance 25.00
Current Depth (RKB)	3,113		Depth Pr	ogress (fiKB)			AFE Number	Total AFE + Sup Amoun
Operations at Report Tir Waiting on pipe ra	me			ns Next Report Period			Daily Cost Total	Cum Cost To Date
Oporations Summary		A monifold bulk.				to drill 8 3/4 hole	Daily Mod Gost	Mud Additive Cost To Da
Nipple up bop, Ter Remarks Fishermen was no							Depth Stan (fikis)	Current Depth (ftKB)
Fishermen was no rams , We screwed	บหาเบเรศกกรเ	NKAA KUMA NEI 1	( )H with place	clean up sand of 12:00 midnight	fftop of plug W Rams arriv, but	hile waiting for they are wrong	3,113 Target Formation	3,113 Terget Depth (ftxts)
ype , weathord is	s on the way w	ith the right one's					fERRON Time Log Total Hours (fire	5,356 Problem Time Hours (he
Mud Checks		Depth (ffKB)	Density (ib/gal)	Vis (s/qt)	PV Catc (cp)	YP Calc (lof/100fe)	24.00	
Nater Base Sel (10s) (lb//100012) Ge	10:45 of (10m) (lbt/100fr)	3,113 Get (30m) (lbf/100f2) (	8.70 Mrate (ml/30min)	50 Filter Cake (/32*)	19.0	12 Solids (%)	Rig Repairs	s (hus) Com Dunatio
2 (B7 (No/Dibl) Pe	3 roant Oil (%)	Percent Water (%)	5.6 >hlorides (mg/L)	1 ECD - Manual Entr.,	8.5	2.0 Electric Stab (V)	REPAIR RIG	8.50 23.
		98	1,000	9.08	(ingr)	Electric State (V)	Daily Contacts	- and a second second
ime Log Start	Cum Dur					<u> </u>	Јегту Тһотрзоп	Mobile 435-448-9671
Time End Time Do. 10:00 06:00		Nipple up BOP o	n 9 5/8 well be	Comment	@ 1500# ( OK	<u></u>	Chuck Redmon Paul Rico	405-596-4120 405-326-3560
0:30 19:00	4.50 10.50	Test BOP, Blinds	s, Choke manif	old, Kelly and va	alves back to pu	mps.	Rig Supervisor	Phone Mobile
9:00 21:30	2.50 21.50	Work on and wait TIH with 1 std of	hwdp and Jars.	Tagged @ 108	, Picked up keli	v and circ thru	Mark Meyer	
1:30 22:00	1 1	spot. ( did not han Screwed in to brid	ve to rotate pip	₿.			Mud Pumps #1, Nat, 9P100	
2:00 00:00	2.00 24.00	TOH with bridge	olug.	wasning to btm	, Pump psi spik	ed	Pump Rating (hp) Rod Dia 1,000,0	smeter (in) Stroke (in) 9.00
rill Strings							Liner Size (in) 6.50	Vol/Sik OR (bbl/atk)
t Run Dall Sit		3-3-1	IADC Bil Duil	TFA (incl Noz	) (i Total Drill Hrs	h Total Avg ROP (	Pres (psl) Strokes (sp.	0.088 Q (gpm) Eff (%)
ozzies (/32°)				1	tring Wt (1000lbf)		#2, Nat, 9P100	<del></del>
rilling Parameter				and couldn't (race)		BHA ROP (ft/hr)	Pump Rating (hp) Rod Dia 1,000.0	meter (in) Stroke (in) 9.00
ellbore Depth	Start (ffKB) Depth	End (fiKB) Cum Dep	th (flKB) Drilling Tin	ne (hrs) Cum Drill Tin	ne ( Int ROP (fiving)	Flow Rate (gpm)	Liner Size (in) 6.50	Vol/Sik OR (bbl/sik) 0.088
OB (10006) RPM (	røm) \$PP (	psi) Driff Str W	i (100 PU Str Wi	(100 SO Str Wt (1	00 Drilling Torque	Off Strn Tg	Pres (psi) Strokes (sp.	
ydraulic Calculat		,		<u> </u>			Mud Additive Amou	<del></del>
ax Casing AV (fi/min)  rifi String Compo team De team De MO (filk8)		18	in Casing AV (ff/min	ID (en)	Holo AV (ft/min)	TFA (Incl Noz) (in <sup>2</sup> )	SUPER GEL ENGINEER SER. PALLETS SHINK WRAP Last Casing String Casing Description Ru	26. 1. 2. 2. 2. m Date
2,	,774 47	7.40 320.50	1	2,398	vs (fi) 1,182.52	DLS (*/100h) 0.85		0/4/2008 <b>7</b> 57
	. 1	7.10 320.30 3.10 320.20		2,442 2,485	1,229.41 1,276.56	0.52 1.57		
		3.20 319.80 3.40 319.70		2,528 2,570	1,324.11 1,371.75	0.49		
W.peloton.com								

	rgy, Inc.		tractor:	Daily E Nabors	Orilling R Rig Nu	eport mber:	513	Report Dat Report # 2 DFS: 20	te: 10/22/2008 23
Well Name:	Oman 10-		/Province						
3007312100000		Uta			Logal Location E Sec 29, T13	S, R7E		Spuid Date 10/2/2008	KB-Ground Distance 25.00
mont Depth (ftKB)	3,113			Depth Progress (ftKB	9			AFE Number	Total AFE + Sup Amoun
hanging out BO	Time	***************************************		Operations Next Repo	ort Period			Daily Cost Total	Cum Coat To Date
eradona Summery				N-up BOP, test				Daily Muc Cost	Mud Additive Cost To Di
iows no-test, (d	ioors leaking) b	anten doors. Re	test show	vs No-test, Leaki	ina around be	hind nine	installed and test ram blocks.	Depth Start (pAS)	Current Depth (ftxB)
nange out ram	camers Re-tes	t shows No test	. After insi	pecting inside of rom Nabors yard	BOP shows h	undy of Ri	IP is weeked out	3,113 Target Formation	3,113 Target Depth (ftKB)
or bolts, Waite	d on bolts 4 hrs	í.		•				FERRON	5,356
narks let used in last	24 hrs. 500 gai	s , Fuel on hand	1 5969 ga	ls				Time Log Total Hours (hrs) 24,00	Problem Time Hours (hr
ud Checks			Ş. H.İ.				<del>Topanija</del>	Rig Repairs	Cum Demiso
ater Base	10:45	Depth (RKB) 3,113	Density (to		PV Ga	lc (cp) 19.0	YP Calc (lbf/100ft*) 11	Code 2 Dur	(hrs) (hrs) 19.00 42
(10s) (tof/100ft²) (	Sel (10m) (lbl/100fP)	Gel (30m) (85f/100f)	Filtrate (mi. 5.	/30min) Filter Cake	(/32°) pH		Solids (%)	Daily Contacts	
T (lb/bibl) P	Percent Off (%)	Percent Water (%)	Chlorides (	mg/L) ECD - Man	rual Entr Catciu	8.0 m (ingit.)	2.0 Electric Stati (V)	Jeb Contact Jerry Thompson	Mobile 435-448-9671
7.8000		98	<u>1,1</u>	50 9.8	31		<u> </u>	Chuck Redmon	405-596-4120
me Log Start Timo Fort Time I	Cum Dur	r				·	<u>, , , , , , , , , , , , , , , , , , , </u>	Paul Rico	405-326-3560
mo End Time I 00 02:00	Dur (hre) (hrs) 2.00 2.00	Pulled 4.5 pipe	ram ,	Com	ment			Rig Supervisor Mark Meyer	Phone Mobile
00 08:00				stall pipe rams				Mud Pumps	
00 10.00		Re-test pipe ra	ms, No te	st, Change out o	loor gaskets d pipe ram bk	ocks		#1, Nat, 9P100	
:00 11:00 :00 18:00	1.00 11.00 7,00 18.00	Change out pip	e ram car	riers , No test head and space				Pump Rating (hp) Rod Diar 1,000.0	9.00
:00 20:00	2.00 20.00	Unload and ins	pect BOP	replacement	r spool on top	of BOP.		Liner Size (in) 6.50	Vol/Stk OR (bbl/stk) 0.088
00:00	4.00 24.00	Wait on parts fo	or BOP, A	the door bolts				Pres (pai) Strokes (sp.,,	Ci(gpm) Eff(%)
ill Strings				<u> </u>		andrig. 		#2, Nat, 9P100	
Run Driff Bit			IADC Bit I	Our TFA	(excl Noz) (i To	otal Drill Hrs	h Total Avg HOP (	Pump Rating (hp) Rod Diam 1,000.0	9.00
zies (/32")				String Length (f	(IKB) String Wit	(1000mir)	BHA ROP (IVIN)	Liner Size (in) 6.50	Vol/Stk OR (bb/stk) 0.088
iling Paramet	den .				_			Pres (pst) Strokes (sp	Q (gpm) Eff (%)
lbore Dep	th Start (ftKB) Doot	n End (ftKB)  Cum (	Populin (RIKB)	Onlling Time (hrs) Cu	m Drilli Time ( in	t ROP (ft/hr)	Flow Rate (gpm)	*****	<u> </u>
В (1000жн) ПР№	f (rpm) SPP	(pei) DaitS	' Wt (100 F	9U Str Wt (100 SO	Str Wt (100   D	rilling Torque	Off Blan To	Mud Additive Amous Description	Cost (/unit) Consum
draulic Calcul	iitione						<u> </u>	TORK BUSTER SUPER GEL	70 15 1.
Tydraulic Power (hp	HP/Area (hp/	ier <sup>2</sup> ) Bil	Jet Velocity (	fl/s) Bill Pred	ssure Orop (psi)	%Р@	) bii (%)	ENGINEER SER. POLY PLUS	1. sa.w. 1.
Casing AV (fi/min)	Max Open	Hole AV (fi/min)	Min Casing	AV (ft/min)	Min Open Hole AV	(ft/min)	TFA (incl Noz) (in²)	Last Casing String	
il String Comp	ponents		<u></u> ۱ کا کا در درکی	ing water die				Casing Description Rur	Date Sel Depth (ftK) 14/2008 757
Hem	Description	J	<b>.</b>	ÓÐ (in)	1D (In)	Len (ft)	Top Thread	1	
rvey Data MD (MKB)	lindi (*	γ <u> </u>		TVD (fike)			La de versena		
	2,774 4	7.40 320		2,39		182.52	DLS (*/100ff) 0.85		
		7.10 320	.30	2,44		229.41 276.56	0.52		
					.aa.∣ 1				
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,48 2,52		324.11	1,57 0,49		
	2,902 4 2,966 4	8.10 320	.80		18		0.49 0.33		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		
	2,902 4 2,966 4	8.10 320 8.20 319	.80	2,52	18	324.11	0.49		

al Location ec 29, T13S, R7E  Oedod IH, Wash to btm. and drig new Detry Mud Cost Own BOP off well head, Nipple up er spool under rotating head to fit, O, Test and re-test rams, replace  W 2500 hi. ( OK ) Hydril @ 1500 ( pumps @ 2500 (OK ) BOP is fully  PV Calc (cp) 17.0 B.0 Code 2 REPAIR RIG  PV Calc (cp) 17.0 B.0 Code 2 REPAIR RIG  Daily Conta Time tog Yolar 17.0 B.0 Code 2 REPAIR RIG  Daily Conta Time tog Yolar Code 2 REPAIR RIG  Daily Conta Time tog Yolar Code 2 REPAIR RIG  Daily Conta Time tog Yolar Code 2 REPAIR RIG  Daily Conta Time tog Yolar Time t	Total AFE + Sup Amount test  Curr Cost To Date  It Mud Additive Cost To Cost  KB) Current Depth (ftKB)  13 3,113  Bon Target Depth (ftKB)  5,356  If Hours (hrs) Problem Time House (hr)  OO TS  Duir (hrs) Current Durold (hrs)  IG 0.00 42  In Cost Mobile  Contact Mobile  Contact Mobile  Contact Mobile  Contact Mobile  Phone Mobile  O 0.00 42  In Cost (hrs) From Mobile  O 0.00 42  In Cost (hrs) From Mobile  O 0.00 42  In Cost (hrs) From Mobile  O 0.00 435  In Cost (hrs) From Mobile  O 0.00 10 10 10 10 10 10 10 10 10 10 10 10 1
ac 29, T13S, R7E  O  Seried  IH, Wash to btm. and drig new  Cown BOP off well head, Nipple uper spool under rotating head to fit. 7, Test and re-test rams, replace  w 2500 hi. ( OK ) Hydril @ 1500 ( pumps @ 2500 (OK ) BOP is fully  IPV Catc (rp) IPM Solide (%)	Total AFE + Sup Amounted
own BOP off well head, Nipple uper spool under rotating head to fit. 7, Test and re-test rams, replace  w 2500 hi. (OK.) Hydril @ 1500 (pumps @ 2500 (OK.) BOP is fully  pv Caic (cp)	tel Curricost To Date  at Mud Additive Cost To C  IKB) Current Depth (rtxB) 13 3.113 3.113 Son Target Depth (rtxB) 5.356 If Hours (ftrz) From Time House (tr) From Dur (trs) IG 0.00 42  tacts Contact Mobble Contact Mobble Toman 435-448-9671 Additive Cost (trs) In Phone Mobble If Phone Mobble If Phone Mobble If Phone Mobble If Phone Mobble If Phone Mobble If Vol/Six OR (bbl/six) 0.088 Strokes (sp. Q (gpm) Eff (%)  3P100 Vol/Six OR (bbl/six) 0.088 Strokes (sp. Q (gpm) Eff (%) IVE Amounts VVE Amounts IVE IVE IVE IVE IVE IVE IVE IVE IVE IVE Amounts IVE
Cown BOP off woll head, Nipple uper spool under rotating head to fit.  7. Test and re-test rams, replace  w 2500 hi. (OK) Hydril @ 1500 ( pumps @ 2500 (OK) BOP is fully  PV Caic (ID)  17.0 B. Carry  17.0 Calcium (mg/L)  Electric Stab (V)  Daily Contact Nacy Contact Nacy Repairs  Code 2  REPAIR RIG  Daily Contact Nacy Code  Repairs  Code 2  REPAIR RIG  Repairs  Code 2  REPAIR RIG  Daily Contact Nacy Code  Repairs  Code 2  REPAIR RIG  Daily Contact Nacy Code  Repairs  Code 2  REPAIR RIG  Repairs  Code 2  Repairs  Code 2	Mud Additive Cost To C
Own BOP off well head, Nipple uper spool under rotating head to fit. 7. Test and re-test rams, replace  w 2500 hi. (OK.) Hydril @ 1500 ( pumps @ 2500 (OK.) BOP is fully  PV Calc (cp)	Current Depth (MKB)   3,113   3,113   3,113   3,113   500   7,856   600   7,856   7,85
er spool under rotating head to fit. 7. Test and re-test rams, replace  w 2500 hi. ( OK ) Hydril @ 1500 ( pumps @ 2500 (OK ) BOP is fully  Pv Calc (cp)	13   3,113   3,113   1500   1740
Tracet formation fERRON Tracet formation for for formation for formation for formation for formation for forma	Target Depth (IRCB)   5,356   5,356   10   10   10   10   10   10   10   1
w 2500 hi. ( OK ) Hydril @ 1500 ( pumps @ 2500 (OK ) BOP is fully  Pumps @ 2500 (OK ) BOP is fully  Provided (CP) 17.0 8 17.0 8 17.0 8 17.0 8 18.0 2.0 Sent. Caloism (mg/L) Electric Stab (v) Chuck Redm Paul Rico Mark Moyer Mark Meyer Mark Meyer Mark Meyer Mark Meyer Pump Ruling (hp) 1,000.0 Liner Size (in) 6.50 Pres (psi) Six Pump Ruling (hp) 1,000.0 Liner Size (in) 6.50 Pres (psi) Six Started leaking around door's @ Six and door gaskets  Mud Additive Descript ENGINEER S  Mud Additive Descript Six and door gaskets  Mud Additive Descript Casing Description Surface 9 5/8,  It Time ( tot ROP (thirr)   Flow Rate (gpm) Wi (100 brilling Torque   Orf Birm Tq  Drop (psi) S P @ bit (%) Description Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%) Drop (psi) S P @ bit (%)	S
w 2500 hi. (OK.) Hydril @ 1500 ( pumps @ 2500 (OK.) BOP is fully  Pv Caic (cp)	Curr Durelik
PV Caic (cp) 17.0  PM Solids (%) 2.0  Entr. Caloium (mg/L)  Electric Stab (V)  Mud Pumps 1. Net, 9P Pump Rating (mp) 1,000.0  Liner Size (m) 6.50  Pres (ps)  St. Started leaking around door's @  If Started leaking around door's @  Six Started leaking around door's @  If Six Mud Additive Descript ENGINEER S Surg Wt (1000tbf)  Bit AROP (tthir)  Flow Ratin (gpn)  Surface 9 5/8,  If three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Flow Ratin (gpn)  Three ( Int ROP (tthir)  Three ( Int ROP (thir)  Three ( Int RO	Dur (has)
17.0 8 Job C Jerry Thomp Chuck Redm Paul Rico  Rig Supervisor Mark Mayer  Indication test Bop out in the Mud Pumps #1. Net, 9P Pump Rating (Irp) 1,000.0 Liner Size (in) 6.50  Int Started leaking around door's @ Fres (ps) Sin Sing Sylve (Irbon) 6.50  It Started leaking around door's @ Pres (ps) Sin Sing Sylve (Irbon) 6.50  It Started leaking around door's @ Pres (ps) Sin Sing Wt (1000/bf) 6.50  It Time ( Int ROP (Ithir) Flow Rate (gpm) Wt (100. Drilling Torque Off Bim Tq  Drop (psi) S P @ bit (%)  Drop (psi) FFA (ind Noz) (in')	Contact   Mobble
The property of the plugged of the p	Contact   Mobble
S. D. Chuck Redm Paul Rico  Rig Supervisor Mark Mayer  Ind function test Bop out in the #1. Net, 9P Pump Rating (hp) 1,000.0  Indicate the plugged #2. Net 9P Pump Rating (hp) 1,000.0  It hieght for flowline plugged #2. Net 9P Pump Rating (hp) 1,000.0  It started leaking around door's @ Pres (psi) Sin 8.50  It, Started leaking around door's @ Pres (psi) Sin 8.50  It started leaking around door's @ Resemble Englished Rich Pres (psi) Sin 8.50  It started leaking around door's @ Resemble Englished Rich Pres (psi) Sin 8.50  It started leaking around door's @ Casing Descriptor Sin 8.50  It started leaking around door's @ Casing Descriptor Sin 9.50  It starte	405-596-4120   405-326-3560   405-
Mark Mayer  Mud Puntps #1, Nat, \$P Pump Roting (hp) 1,000.0 Linux Size (m) 6,50 Pres (ps)   Sin Pres (ps)   Si	Page   Page
Mud Pumps #1. Nat. 9P Pump Rusing (hp) 1,000.0 Linux Size (in) 6.50 Pres (psi) Siri Plump Rusing (hp) 1,000.0 Linux Size (in) 6.50 Pres (psi) Siri Prump Rating (hp) 1,000.0 Linux Size (in) 6.50 Pres (psi) Siri \$2. Nat. 9P Pump Rating (hp) 1,000.0 Linux Size (in) 6.50 Pres (psi) Siri 8.50 Pres (psi) Sir	Section   Sect
# 1, Nat, 8P Primp Ruing (rp) 1,000.0 Liner Size (m) 6.50  priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Priss (psi) Sin Sin Sin Started leaking around door's @ Priss (psi) Sin Sin Started leaking around door's @ Priss (psi) Sin Sin Started leaking around door's @ Priss (psi) Sin Sin Started leaking around door's @ Priss (psi) Sin	P100
Pump Ruting (hp) 1,000.0 Limit Size (m) 6,50 Pres (psi) Sin Pres (psi) Sin 11 11 12 13 14 15 15 15 15 15 15 15 15 15 15 16 15 16 16 16 16 16 16 16 16 16 16 16 16 16	http:// Stocke (n) Stroke (n) 9.00 9.00 9.00 10.00
Di. Ct hieght for flowline   C. Sc. (in)   C. Sc. (in)   C. Sc. (in)   Sc. (i	Vol/Six OR (DEJPH)
ct hieght for flowline plugged  #2. Nat. 9P  #2. Nat. 9P  #3. Nat. 9P  #3. Nat. 9P  #4. Nat. 9P  #4. Nat. 9P  #5. Nat. 9P  #6. Nat. 9P	Strokes (ap.   Q (gpm)   Eff (%)
plugged  # 2, Nat, 9P Pump Raling (np) 1,000.0 S it. Started leaking around door's @ it's and door gaskets  Mud Additive Description ENGINEER'S Noz; (i Total Drill Hrs (h Total Avg ROP ( String Wt (1000/bf) BHA ROP (ft/hr)  If Time ( Int ROP (ft/hr)  Wt (100 Drilling Torque Off Blm Tq  Drop (pst) % P @ bit (%) pen Hote AV (ft/min) FFA (ind Noz) (in')	Rod Diameter (h)   Stroke (in)   9.00   9.00   9.00
Pump Rating (m) 1,000.0  S	Rod Diameter (h)   Stroke (in)   9.00   9.00   9.00
Liner Stoc (in) 6.50 it. Started leaking around door's @ Pres (psi)   Str.  I's and door gaskets  Mud Additive Description ENGINEER S  Noz) (i Total Drill Hrs (h Total Avg ROP ( String Wt (1000fbf)   BHA ROP (ft/hr)   String Wt (1000fbf)   Flow Rato (gpm) Wt (100 Drilling Torque   Off Blm Yq  Drop (psi)   % P @ bit (%) ppen Hote AV (ft/min)   TFA (ind Noz) (in')	O 0.088 Strokes (sp. Q (gpm) Eff (%)  IVE Amounts  IVE Amounts  IVE A MOUNTS  IVE A MO
A Started leaking around door's @ Pres (psi)   Sirr  I's and door gaskets   Mud Additive   Description   Descripti	Strokes (sp. Q (gpm) Eff (%)  Ve Amounts  Spilon   Coet (unit)   Consum  750.00   1  g String
I's and door gaskets  Mud Additive Description ENGINEER S  Last Casing Casing Description Surface 9 5/8.  If time ( Int ROP (tiffer)   Flow Rate (gpm) W( (100 Drilling Torque   Off Blm Yq  Drop (pel)   % P @ bit (%) pen Hote AV (timin)   TFA (ind Noz) (in*)	ive Amounts plan Coet (Arrift) Consum SER. 750.00 1 g String
Much Additive Description Description ENGINEER S Last Casing Casing Description Surface 9 5/8, If Trinc ( Int ROP (tithir) Flow Rato (gpm) Wt (100 Drilling Torque Off Btm Tq  Drop (psi) % P @ bit (%) ppen Hote AV (filmin) TFA (incl Noz) (in*)	iplian   Cost (Aurit)   Consum R SER.   750.00   1 g String
Noz) (i Total Drill Hrs (h Total Avg ROP ( Last Casting Casing Description Sturface 9 5/8,  IString Wt (1000lbf) GHA ROP (ft/hr) Sturface 9 5/8,  Il Trino ( Int ROP (ft/hr) Flow Rato (gpm)  Wt (100 Drilling Torque Off Btm Tq  Drop (psi) % P @ bit (%)  ppen Hote AV (ft/min) TFA (incl Noz) (in*)	R SER.   750.00   1 g String
String Wt (1000lbf) BHA ROP (tt/hir) Casing Description Surface 9 5/8.  If Time ( Ini ROP (tt/hir) Flow Rate (gpm)  Vt (100 Drilling Torque Off Blm Tq  Drop (psl) % P @ bit (%)  ppen Hote AV (tt/hir) FFA (ind Noz) (in')	
Il Time ( Int ROP (It/hr)   Flow Rate (gpm)  Vit (100 Drilling Torque Off 8tm Tq  Drop (psi)   % P @ bit (%)  Pen Hote AV (It/min)   TFA (incl Noz) (int)	
Wi (100 Drilling Torque Off Birm Tq  Drop (pel) % P @ bit (%)  pen Hote AV (fumin) FFA (incl Noz) (in')	
pen Hote AV (filmin) TFA (ind Noz) (in')	
pen Hote AV (filmin) TFA (ind Noz) (in')	
ri) Len (ft) Top Thread	
Control	
VS (R) DLS (*/1008)	
1,182.52 0.85	
1.276.56 1.57	
1,324,11 0,49	
320.50 2,398 320.30 2,442 320.20 2,445 319.80 2,528 319.70 2,570	Min Casing AV (ft/min)   Min Open Hole AV (ft/min)   TFA (ind No2) (inf)     Jis   OD (in)   D (in)   Len (ft)   Top Threed

Marion Energy, Inc. **Daily Drilling Report** Report Date: 10/24/2008 Report # 25 Contractor: Nabors Rig Number: 513 **DFS: 22** Well Name: Oman 10-29 API/UWI 43007312100000 State/Province Utah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Current Depth (RKB) AFE Number Total AFE + Sup Amount Operations at Roport Time Operations Next Report Period Daily Cost Total cum Cost To Date TiH, with magnet and junk basket TIH, work magnet, TOH, Operations Summ Did a full test on BOP, and choke manifold, installed ware bushing in well head, TIH, Break circ. Wash and ream 177' to btm. On tagging btm. Bit torquing up and spiking pump psi, After 4or 5 trys to make it drill Pump sweep, Circ 2-btm's up, TOH, to look @ bit, Have magnet and junk basket and mill on location. Daily Mud Cost Mud Additive Lost to Use Depth Start (ftKB) Depth (ftKB) 3,113 3,113 Target Formation rget Depth (fiKB) Rig has no demick hands, ave time to retrive one dropped stand of drill pipe across demick (1 hour.) Note Flip pad IERRON rightes no define, names, ave time to retrive one dropped stand or drill pipe across define; (i) nour.) Hole Frip pad shows to be 2.2" wide, 4" long, 1.2" thick. We was not for sure if it was in hole or not. Weatherford called after plug got back to shop about missing pad. Bit has no marks or scare's on it, place missing out of bridge plug could have been lost from here to town. We had to make a clean up run with bit to make sure that we could get back to 5.356 Time Log Total Ho 24.00 btm. before trying to run the magnet. Rig Repairs Code 2 REPAIR RIG **Mud Checks** 2.00 44.25 beoth (fiKB) Daily Contacts Job Conta YP Calc @bf/100fts Water Base 14:00 3,113 8.70 47 17.0 8 Gel (10s) (tbf/100f Sel (10m) (lbf/100 el (30m) (lbf/1 (mt/30 Mobile 435-448-9671 Cako (/32\*) Jerry Thompson (%) 5.6 2.0 MEIT (ID/bbr) Chuck Redmon ercent Oil (%) 405-596-4120 tes (mg/L) Paul Rico 1,200 405-326-3560 Rig Superviso Time Log Start Time En Mark Meyer Cum Dur (hrs) End Time | Dur (hrs.) 01:00 | 1.00 Mud Pumps 00:00 1.00 1.00 Test pipe rams , 250 low, 2500 hi, ( OK ) 02:00 2.00 Test Blind rams 250 low , 2500hi, (OK ) 3.00 Test choke manifold, 250 low, 2500 hi, (OK ) 01:00 1.00 #1, Nat. 9P100 Pump Rating (hp) Roo 02:00 03:00 1.00 1,000.0 9.00 03:00 04:00 1.00 4.00 Test kelly valve and lines back to pumps, 250 low, 2500 hi SH OR (boustk) Liner Size (In) 04:00 05:30 1.50 5.50 Function test accumilator, closeing time 52 seconds , Rig down test truck 6.50 0.088 8.00 Prep floor for TiH and install tumbuckles on BOP. Pres (psi) Stroke 975,0 8 05:30 08:00 2.50 08:00 08:30 0.50 8.50 Install were bushing in well head 85 298 08:30 #2, Nat, 9P100 Pump Rating (hp) Rox 11:00 2.50 11.00 Pick up BHA, Test motor, and MWD, tools 11:00 17:00 6.00 17.00 TiH with bit # 5 on a steerable assy, 17:00 1,000.0 18:00 1.00 18.00 Pick up kelly and break circ @ 2936 9.00 Liner Size (in) SIK OFR (bbl/sik) 18:00 20:00 20.00 Work on pumps and pump motors 2.00 6.50 0.088 20:00 22:30 22.50 Wash and ream (177' ) 2936' to 3113' Wob.2-8k, Rpm.50, Gpm.300 2.50 Q (genn) Eff (%) 22:30 23:30 23.50 Circ, While circ try to tag blm motor stalling Diff psi spiking. Acts like junk in hole 1.00 23:30 00:00 0.50 24.00 TOH, to ckeck out bit and look @ running back with magnet **Mud Additive Amounts Dritt Strings** BHA #6, Steerable Bit Run | Onli Bit 4 | 8 3/4in, R22AP, M32506 ENGINEER SER. 750.00 ADC Bit Dut TFA (incl Noz) (t... | Total Drill Hrs (h... | Total Avg ROP (... Last Casing String
Casing Description Run Date 2.00 Set Depth (ftKB) String Length (fIKB) HAROP (fithr) Surface 9 5/8, 36# 16/4/2008 757 1,409 64 Drilling Parameters
Welbore Depth Start (NKB) Depth End (NKB) Cum Depth (ftxB) Orilling Time (ftxs) Cum Drift Time (... Int ROP (ft/hr) Original Hole 3.113 3,113 0.00 RPM (rpm) 341 Str Wt (100... PU Str Wt (100... SO Str Wt (100... WOB (1000mbf) 40 50 975.0 95 90 65 Hydraulic Calculations
Bit Hydraulic Power (hp) H Bit Jet Velocity (ft/s) 22.7 0.4 128.3 129 8 Max Casing AV (filmin) Dog Hole AV (flymin Min Casing AV (ft/min) TFA (incl Noz) (in<sup>2</sup>) 216.1 216.1 70.4 **Drill String Components** OD (in) 6.750 10 (in) 2.500 6 3/4" Mtr. 7/8, 5.0 26.07 PONY NMDC 6.750 2.750 9.78 NMDC 6.500 2.750 30.90 UBHO 6.500 2.750 4.00 NMDC 6.500 2.750 30.38 36 4.500 2.750 1.099.00 Drilling Jars - Hydraulic 4.500 2.750 23.45 HWDP 4.500 2.750 183.99 Survey Data MD (fixe) inci (\*) 47.40 Azm (\*) 320.50 V6 (N) 2,774 2,398 0.85 2,838 47.10 320.30 2,442 1.229.41 0.52 2,902 48.10 320.20 2,485 1,276.56

2,966

3.030

48.20

48.40

319.80

319.70

2,528

2,570

1,324.11

1,371.75

1.57

0.49

0.33

Well Name:					g Number:	J15	DFS: 23	
APIUWI 4300731210000	License No.	State/Pri Utah	Ovince	Surface Legal Lo NWSE Sec 2	cetion 19, T13S, R7E		Spud Date 19/2/2008	KB-Ground Distance ( 25.00
Current Depth (ftKB)	3,113		Depth Pr	ogress (fiKB)	0		AFE Number	Total AFE + Sup Amoun
perations at Report TIH with tri-cone	Time bit on a junk ba	ısket		ns Next Report Period th bit clean up ho		TOH, Pick up dir	Daily Cost Total	Cum Cost To Date
ecoucina, n	ools, Pick up ma H, mill on Junk fo	agnet TiH, work m or 5 hrs. Circ 2-Bin	agnet, TOH, m	nagnet recovered	small piece's o	of metal, Pick up	Depth Start (fth.b)	Current Depth (ftK8)
orque ) Bottom	s, milled 3.5 of f of mill shows lig an is to pick up	mill you could tell v note smooth , ran i ht damage , We hi bit ,TiH and make	up to 30k on m ave ditch macr	ill with 55 Rpm. (	Picked up starte	ed over (No	Target Formation fERRON Time Log Total Hours (firs) 24.00 Rig Repairs	Targer Depth (fixB) 5,356 Problem Time House (fix
Mud Checks		V. V. M. C. V. A.	3.7				Code 2 Our REPAIR RIG	(hrs) (hrs) 0.00 44.2
ype Nater Base	Time 14:00	Depth (ftx(B) 0	Density (8b/gal) 8.60	Via (s/qt) 38	PV Calc (cp) 17.0	YP Calc (lbf/100ft*) 8	Daily Contacts	
of (10s) (lbf/100ft²) 2		Gel (30m) (lbf/100lt²) F	Wrate (mL/30min)	Filler Cake (/32")	pH	Solids (%)	Job Contact Jerry Thompson	Mobile 435-448-9671
	Percent Oil (%)	Percent Water (%) 0	4.6 Hilondes (mg/L) 1,200	1 ECD - Manual Entr. 9.07	8.0 Calcium (mg/L)	2.0 Electric Stab (V)	Chuck Redmon Paul Rico	405-596-4120 405-326-3560
lime Log							Rig Suporvisor Mark Meyer	Phone Mobile
	Our (hrs) (hrs)			Comment			La San di San Maria	
00:00 05:30 05:30 06:00		TOH, and lay do. Make up Magnet		A1			Mud Pumps #1, Nat, 9P100	atile and the great great and a second
6:00 10:00	4.00 10.00	TIH. with magnet	on a junk bask	et			Pump Rating (hp) Rod Diss 1,000.0	meter (in) Stroke (in) 9.00
0:00 11:00 1:00 11:30		Work junk basket Circ and service r		Vork magnet.			Liner Size (in) 6.50	Vol/Stk OR (bbl/stk) 0.088
1:30 14:30 4:30 20:00	3.00 14.50	TOH. with magne	t, (Chain out o	f hole.)			Pres (psi) Štrokes (sp	
4:30   20:00   0:00   00:00		TiH. with 8" flat bl Mill on junk in hole					#2, Nat, 9P100	<u> </u>
rill Strings							Pump Rating (hp) Rod Dise 1,000.0	meter (in) Stroke (in) 9.00
							Liner Size (in)	Vol/Stk OR (bbt/stk)
Run (Drill Bill DECHES (/32°)			ADC BU DUB		) (i   Total Drill Hrs bling Wt (1000lb/)	(h Total Avg ROP (	6.50 Pres (psi) Strokes (sp	0.088 Q (gpm) Eff (%)
rilling Paramet	ers	1				BHA ROP (ft/h/)	Mud Additive Amou	
fellose Deg	xh Start (fKB) Deptr	i End (ftKB) Cum Dept		1	i	1	TORK BUSTER	Cost (/unit)   Consume
OB (1000)bit) RPI	Wi(rpm) SPP(	(psi) Drill Str W	t (100 PU Str Wt	(100 SO Str Wt (1	00 Drilling Tarqu	Off Blan To	SUPER GEL SHINK WRAP	33.
lydraulic Calcu t Hydraulic Power (hy		in³) Bit Jet	Velocity (fl/s)	Bit Prossure Oro	p(pai) [%Pá	g txl( (%)	ENGINEER SER.	1.4 2.0
ax Cesing AV (ft/min)	Max Open	Hole AV (fi/min) Mi	in Casing AV (ft/m)r		Hole AV (filmin)	TFA (incl Noz) (in²)	PAC LV	4. 8.
rill String Com	ponents Description	lite	Oct (in	iD (In)	·		CALCIUM CARBONAT	13.
urvey Data		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	, , , , , , , , , , , , , , , , , , ,		Len (ft)	Yop Thread		Date Sel Depth (fIKB)
MO (fixe)		) Azm (*) 7.40 320.50		ке) 2,398	VS (ft) 1,182.52	DLS (*/100A) 0.85	Surface 9 5/8, 36# 10	/4/2008 757
	2,902 4	7.10 320,30 8.10 320,20 8.20 319.80	ı İ	2,442 2,485 2,528	1,229.41 1,276.56	0.52 1.57		
		8.40 319.70		2,528 2,570	1,324.11 1,371.75	0.49 0.33		
						1		
						1		
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						:	1 C C C C C C C C C C C C C C C C C C C	

man	ion Ene	ərgy, ıı	nc.	,						Report			port Da		26/2008
Well	Name	: Om	an 10-		ontra	ctor: Nabo	ors	K	ig N	umber: 5	113		S: 24		
49/0 <mark>00</mark> 1	31210000	Licens			State/Provi Utah	ince		aco Legal Li /SE Sec		13S, R7E		Spud Date		KB-Gro	und Distance (ft)
	epth (ftKB)				Otan	Depth Pr	· . K		£9, I	133, 17, 12		AFE Number	2/2008	Total AFE	25.00 + Sup Amount
Speration	s at Report	Time	3,113			Operatio	ns Next F	Report Perio	d	0		Daily Cost To		Cum Cost	
peration	g on full g na Summary										th bit, or magnet	Daily Mug u			ive Cost To Date
viill on up mag	junk in he enet TIH.	ole, 3113 work ma	3' to 311 sonet. At	7', Circ 2-bi	on up, To	OH, pick up t ave TOH wit	oit , Til- h maor	l. Ream 4	l'ofu net is	nder gaged i	hole, TOH. pick	Depth Start (		Current De	
temarks						on the mark	· · · · · · · · · · · · · · · · · · ·						113	į ;	3,113
nark tr	rat we sto	opped m	illing bit	torqued up	and wou	uld not drill ( i gainst side of	t acted	like the f	irst tir	ne we found	the lunk with	<b>fERRON</b>			5,356
jage 8	3/4 mili.	@ this p	oint that	s all we car	orik is ag	y to millitup	now, a	siaugn ns	anng:	service reco	menas a Iuli	24	.00	) Problem 1	ime Hours (hrs)
	hecks											Rig Repa			Cum Duration
ype Vater E			:00	Depth (ftKB) 3,117	1	nelty (Rolgal) 8.60	Vis (s/c	n) 38		9.0	YP Calc (lbf/100ft) 4	Code 2 REPAIR		3.50	(hrs) 47.75
	1	;	2			rate (ml./30min) 6.8	Filter C	ake (/32*) 1	рН	8.0	Solids (%) 2.0	Daily Cor	itacts b Contact		Mobile
18T (lb/b	(bł)	Percent O	il (%)	Percent Water 98	(%) CH	lorides (mg/L) 1,150	ECD -	Manual Entr 9.17	Calc	ium (mg/L)	Electric Stab (V)	Jerry Tho	mpson	i	448-9671
ime L	og go								<del></del>			Chuck Re Paul Rico	dmon	-3	5-596-4120 5-326-3560
Start Tene	End Time	Dur (hrs)	Cush Dur (hts)			<u> 4 19.00 e</u>		omment	17. 5.			Rug Supervise		Phon	ne Mobile
0:00 01:00	01:00	1.00 1.00				3113' to 3117 s catching su		e ground	up m	etal		Mark Mey			
)2:00 )7:00	07:00 10:30	5.00 3.50	7.00	TOH, with	mill	hing puller, re						Mud Pum #1, Nat,	9P100	<u> </u>	<u>ئىرى بىر سىدۇرىن سىرىسى</u>
	, 0.00	5.50	10.00	retriveable but the cas	ware bu	ishing ( this t	ype bu	shing is r	ıg sızı nade i	e, vve are fu to save not d	nning a bit only well head	Pump Rating 1,000.0	(hp) Rod Ols )	mater (in) S	9.00
0:30	13:00	2.50	13.00	TIH. with b		nk basket	· · · · - ·					Limor Size (in 6.	50	Vol/Stk OR	R (66%stk) 0.088
3:00 6:30	16:30 18:00	3.50 1.50				pumps and preamed 4' or						Pres (psi) 500.0	Strakes (sp. 85	(gpm) 298	Eff (%) 95
8:00	19:30	1.50	19.50	TOH, with	bit		ursyay	jeu noie			· · · · · · · · · · · · · · · · · · ·	#2, Nat, Pump Rating	9P100	<del></del>	<del></del>
9:30 3:00	23:00 00:00	3.50 1.00		Make up m Pick up kei		nd TIH. to btm. Work	magn	et				1,000.0	)	Vol/Sik OR	9.00
Hill St	rings		2 (1.25) 4 (24)			1913 A.S.		7 7.	5.1.4			6.	50 Strokes (sp.		0.088
it Run	DVIII BIT		wii.i		ĮÁ,	DC Bit Dull		TFA (Incl No	xz) (i	Total Drilli Hrs. (i	Total Avg ROP (	r res (par)	опись (вр.	- Ca (Man)	(%)
lozzies (/.	32")					Str	}	th (MKB)	1		BHA ROP (R/hr)	Mud Addi	tive Amou		init) (Consumed
leitline.	Parame	tone				<u> </u>	-	<u> </u>				TORK BU	STER	COSt (rei	2.0
/ellbore	Oe.	pth Start (f	tKB) Depti	End (fUKB)	um Depth	(fVSB) Drilling Ti	me (hrs)	Cum Driff T	ime (	Int ROP (ft/hr)	Flow Rate (gpm)	SOLPHAL SUPER G		1	2.0 95.0
/OB (100	OONSF) PRE	M (rpm)	5PP	(psi) E	Oniil Str Wt (	100 PU SI W	(100	SO SIT WIT	(100	Drilling Torque	Off Burn Tq	SHINK WI	RAP	: <u> </u>	1.0 1.0
ydrau	ilic Calcu									i		POLY PLUENGINEE		· .	3.0 1.0
•	Mic Power (h		P/Anea (hp/			'olocity (ft/s)	1	Pressure Di	op (psi)	% P@	bit (%)	CARBON	Walley Land		2.0
ax Casin	ng AV (fi0mmir	•}	Max Open	Hole AV (ft/mir	n) Min	Casing AV (ft/mi	n)	Min Ope	n Hole	AV (ft/min)	TFA (incl Noz) (in²)	PAC LV	*1		15.0
riu St	ring Con iter	iponent n Descripti			Jts		)	ED (in)	ET	Len (ft)	Top Thread	Last Casi Casing Descri		un Date S	et Depth (ftKB)
urvey	Data												5/8, 36# 10		757
	MD (RKB)	2,774	Incl (*		m (°) 320.50	יין טעין		,398	vs.	(ft) 1,182.52	DLS (*/100#) 0.85				
		2,838 2,902	4	7.10	320.30 320.20		2	,442		1,229.41	0.52				
		2,966	4	8.20	319.80		2	.485 .528		1,276.56 1,324.11	1.57 0.49	1			
		3,030	4	8,40	319.70		. 2	.570		1,371.75	0.33				
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Marion Ene	rgy, Inc.			Daily Dri	ling Repor	t		ate: 10/27/2008
Well Name:	Oman 10-		tractor: Na	bors	Rig Number:	513	Report # DFS: 25	28
Pià.W1 30 <b>0731210000</b> 0	License No.	State	/Province	Surface Legs	Location ec 29, T13S, R7E		Spud Date	K8-Ground Distance
ment Depth (RKB)				Progress (fIKB)	225, 1 (33, K/E		10/2/2008	25.00 Total AFE + Sup Amor
orations at Report 1	3,124			ations Next Report Pa				1
	& dn. @ depth o	f junk in hole		ł. with mill, TiH	with bit, make 5-1	0' , TOH. Pick up	Daily Cost Total	Cum Cost To Date Mud Additive Cost To
perelions Summary irc. Bitm. up with	h magnet, TOH.	(Magnet is clea	an) TiH. with f	ull gage mill , Ta	agged @ 2722' w	ashed and reamed	Depth Start (ftKB)	Current Depth (ftKB)
marks n rearning to bt 3114' mill stan apth of junk in h	tm. with mill, Wo ted taking a bite tole with no drag esterday. So as	b. 2-20k , Rpm.	is catching a to illed 7' of new l	it of shaving , W hole 3117' to 31	e have worked up 24' Moreing tour	ole , had to ream, o and down thru r has no derrick make clean up run	3,117 Target Formation (ERRON) Timo Log Total Hours (his 24.00 Rig Repairs	3,124 Target Depth (ft/S) 5,356 ) Problem Time Hours (f
<del></del>			Maria Landa				Code 2 DI	ar (fare) (fare)
e Checks	Tirne	Depth (fl/KB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft*)		0.00 4
ater Base	14:00	3,117	8.60	38	9.0	4	Daily Contacts	Mobile
(YUS) (KON YUKUTE') (C	Gel (10m) (lbf/100ft*) 2	Gel (30m) (lbf/100ft	) Filtrate (mL/30mi 6.8	n) Filter Cake (/3/2*	*) p∺1 8.0	Solids (%) 2.0	Jerry Thompson	435-448-967
(lb/bbi) F	Percent Oil (%)	Percent Water (%) 98	Chlorides (mg/L) 1,150	ECD - Manual E 9.17	ntr Calcium (mg/L)	Electric Stab (V)	Chuck Redmon Paul Rico	405-596-412 405-326-356
ne Log	1.3 2.3 2.4 A.S.			.;			Rig Supervisor	Phone Mobile
lari	Cum Dur Dur (hra) (hra)						Mark Meyer	<u> </u>
00 00.30	0.50 0.50	Circ btm. up wi		Comment			Mud Pumps	
30 04:00 00 13:00	3.50 4.00 9.00 13.00	TOH, with mag	net , Magnet is	clean.			#1, Nat, 9P100 Pump Rating (hp) Rod Di	ameter (in) Stroke (in)
00 15:00	2.00 15.00	TiH. with mill, T	ull gage mili . /	They have to be	built up @ shop	to full gage	1,000.0	9.00
00 22:00		Wash and rean	n ( 395') 2722'	to 3117', Wob.2	-5k , Rpm.60-65,	Gom 300	Liner Size (In) 6.50	Vol/Sik OR (bbl/stk) 0.088
00:00	2.00 24.00	Mill ( 2' ) 3117	to 3119' Wob.	20k, Rpm. 65,	Gpm.300		Pres (psi) Strokes (sp.	. Q (gpm) Eff (%)
i Strings							#2, Nat. 9P100	298 95
A #7, Slick un Dnil Bit	Province of the second		سنستنستان می می در است. سنستان می می می می می می می می می می می می می			in Section of	Pump Rating (hp) Rod De	
5 8 3/4in, fi	uli gage Mili, <s< td=""><td>N?&gt;</td><td>IADC Bit Dull</td><td>TFA (incl</td><td>Noz) (i Total Drill Hr 2.00</td><td>s (h Total Avg ROP (</td><td>1,000.0 Liner Size (in)</td><td>9.00 Val/Stk OR (bbl/stk)</td></s<>	N?>	IADC Bit Dull	TFA (incl	Noz) (i Total Drill Hr 2.00	s (h Total Avg ROP (	1,000.0 Liner Size (in)	9.00 Val/Stk OR (bbl/stk)
les (/32")	- 4			String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)	6.50	0.088
ing Paramet	ore			1,375	61	4	Pres (psi) Strokes (sp.	Q (gpm) Eff (%)
ore Dep	oth Start (RKB) Depth					nr) Flow Rate (gpm)	1270000	<u> </u>
(10006f) RPA	3,117 vi(rpm) SPP(	3,124			.00 4 Mt (100 Drillang Torc	300	Mud Additive Amos	Units Cost (/unit) / Cons
40		975.0	90		Mt (100 Drilling Torc	uo Off Bitm Tq	SUPER GEL	12
fraulic Calcul		n²) Bit	Jet Velocity (ft/s)	Bit Pressure	Dean (assi) % P	(4) tall (%)	SHINK WRAP ENGINEER SER.	\$
Casing AV (fl/min)	184-7	Hole AV (fVmin)					PAC LV PALLETS	
	max open	HORO AV (IVIISII)	Min Casing AV (ft.	Amin) Man C	pen Hole AV (filmin)	TFA (incl No.c) (in <sup>4</sup> )	CALCIUM	
String Com	ponents Description			-		<u> </u>	CARBONAT	
gage Mill	Description		1 00	(in) 10 ( 8.750		Top Thread	Last Casing String	water and the second
k basket			1	6.750		3.87	11	un Date Set Depth (ft 0/4/2008 757
DC DC			1	6.500		0.90	1.7.7.7.7.00,000,	
DP			1 36	6.500 4.500	2.750 30 2.750 1.09	0.38		
ing Jars - Hyd	Iraulic		1)	4.500		3.45	1	
DP			9	4.500		3.99		
vey Data MO (NKB)	inci (*)	Azm (*)	T. T. T.	(fickis)	vo m		4	
	2,774 4	7.40 320.		2,398	vs (ft) 1,182.52	DLS (*/100ft) 0.85		
		7.10 320,		2,442	1,229.41	0.52		
	1	8.10 320.		2,485	1,276.56	1.57	1 :	
		8.20 319, 8.40 319,		2,528 2,570	1,324.11 1,371.75	0.49	l i	
	-,			Z,370	1,371.73	0.33		
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Page 1/1

Report Printed: 10/27/2008

#### Daily Drilling Report

Contractor: Nabors

Rig Number: 513

Report Date: 10/28/2008 Report # 29

Wal	l Name	. Om	an 10-	20			19			DFS:	26	
APIJUWI		Licens		£3	State/Province Utah		lace Legal Location VSE Sec 29, T			Spud Date 10/2/200		B-Ground Distance (fi) 25.00
	Depth (fiKB)				.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Depth Progress (				AFE Number		AFE + Sup Amount
Oncoration	ns at Report	Nime	3,176			Operations Next	,	48				·
Rot. D	rig @ 327	'O'					slide, Running	surveys.		Daily Cost Total	Cum	Cost To Date
	na Summan with 8 3/4		c . TOH	with mill.	Pick up bit on	a J.B. TIH. Wa	sh to btm. Drig	4' Circ TOb	t nick un Die	Delly Mud Cost	Mud	Additive Cost To Date
toois . formati	install w	are bush	ing, Til	i. wash to	Btm. ( no fill ,	no torque, no .	Junk on Btm. B	reak in bit, Dr	lg. new	Depth Start (ftKB)	Curre	ent Depth (MKB)
Remarks										3,128 Terget Formation	Targe	3,176 et Depth (ftKB)
On trip Junk b	out with	mill we d	ecovere	d 1/2 of the	ne flip pad that	was lost in ho	le 2- piece's of : We have G	metal, They	was pick up in	TERRON	urs (brs) Prob	5,356 lem Time Hours (hrs)
gpm. N	Aixxing m	ud for ye	of and L(	CM.in swe	eps. Logger's	recording 322 e Trace's of sa	units trip gas. F	Peak gas,322	units, Back	24.00 Rig Repairs		
Mud C	hacks	Time		Depth (ftKB	Density (	A production of the second production of the		A		Code 2 REPAIR RIG	Dur (hrs) O.	Cum Duration (hrs)
Water		14	:00	3,11	7 8	.60	38	Catc (np) 9.0	YP Calc (lb//10/0ft*) 4	Daily Contact		
Gel (10s)	(956/100ff*) 1		(ibi/100ft²) 2	Gel (30m) (i	bi/100ft*) Fatrate (r	ni./30min) Filter ( 5.8	Cake (/32°) рн 1	8.0	Solids (%) 2,0	Job Con	tact	Mobile
MBT (ILA	okH)	Perownt O	# (%)	Percent Wat 98		(mg/L) ECD - 150	Manual Entr Cut 9.17		Electric State (V)	Jerry Thompso Chuck Redmo Paul Rico		435-448-9671 405-596-4120 405-326-3560
Time L	og			tan an aram in a		.V. se est. Living				Rig Supervisor		Phone Mobile
Start Time		Dur (hrs.)	Cum Dus (hrs)				Comment			Mark Meyer		
00:00 05:30	05:30 06:30	5.50 1.00			3/4 Flat Btm. Lup, for TOH.		124' Wob.35k	Rpm.65, Gpr	n. 300	Mud Pumps	2.2.2	
06:30	10:30	4.00	10.50	TOH. with	h B 3/4 Mill on	a Junk basket				#1, Nat, 9P1 Pump Rating (hp)	60 Rod Discosto	(in) (Stroke Ms)
10:30	11:00	0.50		Break dn			ket (Found 1/2	of flip pad the	at was lost in	1,000.0		9.00
11.00	13:30	2.50	13.50	,		asket & TIH or	a clean out n			Liner Size (in) 6,50	Valvs	tk OR (bbl/stk) 0.088
13:30	14:00	0.50	14.00	Wash an	d ream ( 40°)	3084' to 3124'	No fill			Pres (psi) Strok	es (sp Q (gp	m) Eff (%)
14:00 14:30	14:30 15:00	0.50 0.50			(4' ) 3124' to 3 let Drig off, Cir		Rpm.60, Gpm	300		975.0 #2, Nat, 9P1		98 95
15:00	16:30	1.50	16.50	TOH, to p	oick up Dir ser	rice				Pump Rating (hp)	Rod Diameter (	
16:30 18:00	18:00 20:30	1.50 2.50	18.00	Make up	BHA, motor, N	WD. tool	de maior de reserv			Liner Size (in)	Vol/S	9,00 kk OR (bbl/stk)
20:30	21:00	0.50	21.00	Wash and	re bushing and d ream to Btm.	(44') 3084' to	V4 Reed R-22	on a steerable	assy.	6.50 Pres (psi) Strok	res (sp C) (gp	0.088 m) Eff(%)
21:00	00:00	3.00					, Wob.15-20k	, Rpm.40, Gp	m.300 , Diff.	(,,,)		,
	الله السالما 2007 - الماكمة			1				**********		Mud Additive		in are
Drill SI BHA #	rings 8. Steers	ble	mente e service e service					<u> </u>		SUPER GEL	1-: - :   CX	ost (Amit)   Consumed   272.0
Bit Run 4	Onli Bit	American Comp. 2 :	Maneo		IADC B	Duff	TFA (incl Noz) (i		, -	SOLPHALT	8 B	9.0
Vozzies (	/32")	R22AP,	MOZOUC			String Leng	pth (NKB) String	7.00 Vt (1000ibl)	453 BHA ROP (ft/hr)	SHINK WRAP		6.0 2.0
Delilina	) Parame	dina.				1.4	09	64	16	PALLETS		6.0
Veithore	D <sub>4</sub>	apth Start (	tKB) Dept				Cum Drill Time (	Int ROP (fuhr)	Flow Rate (gpm)	PAC LV ENGINEER SE	-R	12.0 1.0
Origina NOS (10		3,128 M (rpm)	SPP	3,176 (psi)	48 Onill Str Wt (199	3.00 PU Str Wt (100	3,00 SO Str Wt (100,	16 Drilling Tomus	300 Off Blim To	CALCIUM		20.0
2	5	50		975.0	90	95	65			CARBONAT		
	riic Caici ulic Power (I		P/Area (ho	Ano)	Bit Jet Velocit	(file) Bir	Pressure Drop (ps	) % Р@ы	47 <b>9</b> 41	Last Casing S Casing Description	tring Run Date	Set Depth (fixe)
dry Case	22.5 ng AV (fl/mi		Maria	0.4	12	8.3	128.3		13.2	Surface 9 5/8, 3	6# 10/4/20	08 757
HEX CASI	216.1	''	Max Cibati	Hole AV (ft/n 237.2	Man Casur	g AV (ft/min) 216.1	Min Open Hole 7	AV (ft/min)	TFA (incl Noz) (in²)			
Orill St	ring Con	nponeni n Descripti			Jis	OD (in)						į
	Atr. 7/8. 5				1	6.750	10 (in) 2.500	Len (ft) 26.07	Top Thread	İ		
PONY I	NMDC				1	6.750	2.750	9.78				!
JBHO					1	6.500 6.500	2.750 2.750	30.90 4.00				
VMDC					1	6.500	2.750	30.38				
-IWDP Drillina	Jars - Hy	drautic			36	4.500 4.500	2.750 2.750	1,099.00				
HWDP					9	4.500	2.750	183.99				
Survey	Data MD (fixe)	-	incl (	9	vzm (*)	TVD (ftKB)		(10)	DLS (*/100fb)			
		2,902		8.10	320.20	4	,429	1,367.28	1.57			
		2,966 3,030		18.20 16.40	319.80 319.70		,472 ,514	1,414.88 1,462.57	0.49 0.33			
		3.092	4	18.10	319.30		,556	1,508.73	0.68			
·		3,156	4	7.00	318.70	2	.599	1,555.83	1.85			
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	aloton co	· · · · · · · · · · · · · · · · · · ·										

	ergy, l	nc.	_	4	Daily D	-	•		Report Da Report #		29/2008
Well Name	e: Om	an 10-2		tractor: Na	abors	Rig M	lumber:	513	DFS: 27	50	
PI/UW/ 30073121000	Licene	e No.	State	Province		egal Location Sec. 29 T	13S, R7E		Spart Date 10/2/2008	KB-Gr	ound Distance (f 25.00
urrent Dopth (RKB	)	3,595		*****	th Progress (NKB)				AFE Number	Total AFE	+ Sup Amount
perations at Repor Slide Orlg @ 38		3,033			rations Next Repor	t Penod	<b>\$19</b>		Daily Cost Total	Cum Cost	To Dele
porations Summar	у		64' Ave Rop. 2		t & Slide Drig.				Dally Mud Cost	Мысі Асісіі	we Cost To Dat
tzm.319.90, T/	V depth.	3010.19	o- Are Nop. 2.			Last Survi	ay (0) 3549 i	nc. 47.20 ,	Dopth Start (fixB)	Current D	epth (ffKB)
laving to ream	conn for	drag, St	ring wt.78k, PU its, Peak gas 61	wt 145k, SO	.wt 60, Rot.wt	78k, Logg	er's recordir	ng Back ground	3,176 Target Formation		3,595 pth (fixB)
lud Checks			D, r dan gas d	CALINA.	1.14. H		1 (1826) 183		fERRON Timo Log Total Hours (firs		5,356 ime Hours (firs)
ype Vater Base	Time 14	:00	Depth (ftKB) 3,117	Density (lb/gal) 8.80	Vis (s/qt) 60	PV	Calic (cp) 17.0	YP Calc (IM/100FF		<u></u>	
10		(1667100ff²) 2	Gel (30m) (lbf/100ft <sup>a</sup>	) Filtrate (mU30r 5.6	nin) Filter Cake (	/32°) pH	8.0	Solids (%)	Code 2 DI	s (Ns) 0.00	Cum Duration (hrs)
BT (Ib/bbl)	Percent O	(%)	Percent Water (%) 98	Chlorides (mg/L 1,400	.) ECD - Manu 9.96			Electric Stab (V)	Daily Contacts		
îme Log						<u></u>			Job Contact Jerry Thompson	435	Mobile -448-9671
Start Find Time 0:00 04:00		Cum Dur (his)	80184 4 804	7001 01Wa	Comm				Chuck Redmon Paul Rico	,	5- <b>596-4120</b> 5-326-3560
	4.00		150					), Gpm.300 Diff	Rig Supervisor	X :_	ne Mobile
4:00 08:00	4.00	}	Rot.Drig & Slide 100-150						Mark Meyer		
8:00 12:00	4.00	12.00	Rot.Drig.&Slide Diff.100-150	(64') 3333'	to 3397' Rop.1	6', Wob,1	5k, Rpm.40,	Gpm.300,	#1, Nat, 9P100	read the second	
2.00 16:00	4.00	16.00	Rot. Drig. & Slic Diff,150	ie (96') 3397	to 3493' Rop	.24', Wob	.20k, Rpm.4	0, Gpm.300,	Pump Rating (hp) Rod Di 1,000.0	1	9.00
6:00 16:30 6:30 <b>00:00</b>	0.50	16.50	Work tight hole	on conn. @	3557' ( DBL up	on torqu	e buster and	mix cotton hulls	Lintox Size (in) 6.50		0.088
0.30 00.00	7.50	24.00	Rot.Drig & Slide Diff.150	( 102') 3493	" to 3595" Rop	o.13,6, Wo	b.20k,Rpm.	40, Gpm.300,	Pres (psi) Sirokes (sp. 1,120.0 85	(G (gpm) 298	Eff (%) 95
rill Strings	<u> </u>				. Washington				#2, Nat, 9P100 Pump Rating (hp) Rod Di	ameter (in)   \$	
HA#8, Steers	R22AP,	MAGEOR		IADC Bit Dull	TFA (	ind Noz) (i	Total Drill Hrs (			Vol/Stk OF	
	NEEMT,	MOZOUO			String Length (filk	B) String		118 BHA ROP (ff/hir)	6.50 Pres (pal) Strokes (sp.		0.088 Eff (%)
rilling Parame	eters	AVEN THE THE			1,409		64	18	Mud Additive Amo		
nginal Hole	3,176 PM (rpm)	SPP (		167	23.50	26.50	18	300	Description TORK BUSTER		nit)  Consume 2.0
35	50			Wt (100 PU S 90	95	65	Dritting Tarque	Off Blm Tq	SUPER GEL SOLPHALT		304.0
ydraulic Cale Hydraulic Power (		/Avea (hp/i		Jet Velocity (ft/s)	Bit Press	ure Drop (pa	) %P@	bit (%)	SHINK WRAP		16.0 8.0
23.0 x Casing AV (ft/mi	n) [			128.3 Man Casing AV (		131.3 n Open Hole	ÁV (ft/min)	11.4 TFA (incl Noz) (in²)	PALLETS PAC LV		8.0 19.0
216.1 rill String Cor	nponent	8	237.2	216	3.1	7	0.4	1	ENGINEER SER.	.	1.0 83.0
3/4" Mtr. 7/8. 5	т Descripti 5.0	<b>xn</b> : ,		1	0 (in) 6.750	D (in) 2.500	Len (ft) 26.0	Top Thread	CALCIUM	1	3.0
ONY NMDC MDC				1	6.750 6.500	2.750 2.750	9.1 30.1		Cedar Fiber	<u>.</u>	116.0
вно				1	6.500 6.500	2.750 2.750	4,0 30,	00			et Depth (ftKs)
MUC			-	36	4.500	2.750	1,099.0	00	Surface 9 5/8, 36#   1	0/4/2008	757
WOP	rdra die			9	4.500 4.500	2.750 2.750	23.4 183.9				
MDC WOP rilling Jars - Hy WDP	draulic								11		
WDP rilling Jars - Hy		inci (*)	Azm (*)		D (пкв)	Vš	(ft)	DLS ("/100A)	11		
WOP rilling Jars - Hy WOP urvey Data	3,283 3,347	48	7.30 319. 3.00 319.	10 10	70 (fixe) 2,830 2,874	Vš	(fl) 1,248.12 1,295.31	DLS (*700m) 1.58 1.11	3.1		
WOP illing Jars - Hy WOP JFVey Data	3,283	48 47	.30 319.	40 10 40	2,830		1,248.12	1.58	5		

#### Daily Drilling Report

Report Date: 10/30/2008 Report # 31

Well Name:	Oman 10-		ractor: Nabo	ors i	kig Number:	513	DFS: 28	
API/UWI 43007312100000	License No.	State/i Utah	Province	Surface Legal NWSE Sec	Location : 29, T13S, R7E		Spud Date 10/2/2008	KB-Ground Distance (it
Current Depth (ftKB)			Depth Pr	ogress (f#KB)			AFE Number	Total AFE + Sup Amount
Operations at Report T			Operatio	ns Next Report Per	391 ed		Daily Cost Total	Cum Cost Yo Date
Rot. Orlg. @ 4,090 Operations Summary				de Drig and ru			Daily Mud Cost	Mud Additive Cost To Date
Orig (390') 3595' ground gas 50-60	to 3985' Rot 30 ) units . Conn a	4' Slide 86' Last as 124 units Pe	survey @ 3986'	Inc.46.50 Azm s Formation 10	1.323.70 T/V depth	3310.45 , Back	Depth Start (ffKB)	Current Depth (fit(8)
Remerks							3,595	3,986
it would not half b	ad ideal to sho	ig wi.suk, Powi. iri trip to make si	re hole is stab.	TOUK Connan	e pulling tight but t	ney do clean up ,	Target Formation fERRON	Target Depth (ffKB) 5,356
Mud Checks							Time Log Total Hours (hrs 24.00	) Problem Time Hours (hrs.)
Water Base	īme 12:00	Depth (RKB) 3,754	Density (lb/gsl) 8.60	Vis. (s/qt) 61	PV Calc (cp) 17.0	YP Calc (lbf/100ft*) 21	Rig Repairs	Cum Duration
Gel (10s) (10//1001/2) G	Sel (10m) (libil/160ft*) 32	Gei (30m) (lbl/100ft²)	Filtrate (mL/30min) 6.4	F#ter Cake (/32*)	рH 8,0	Solids (%) 2.5	Cede 2 DI	ur (hrs) (hrs) 0.50 48.2
REPORT (REPORT) TEM	ercent Oil (%)	Percent Water (%)	Chlorides (mg/L) 1,400	ECD - Manual Er 9.82		Electric Stab (V)	Daily Contacts	
Time Log				U.U.	. 7277 . 27		Job Contact Jerry Thompson	Mobile 435-448-9671
Start Time End Time (	Cum Our		in the second se	Comment			Chuck Redmon	405-596-4120
00:00 09:00 09:00 10:00	9.00 9.00			op.14 , Wob.20	k,Rpm.40, Gpm.3		Paul Rico	405-326-3560
10:00 13:00	3.00 13.00	Rot.Drig.(46') 3'	735' to 3781' Ro	p.15', Wob.20)	k,Gpm.300,Diff.10 ,Rpm.40, Gpm.30	0, Diff 150	Rig Supervisor Mark Meyer	Phone Mobile
13:00 14:00 14:00 19:00	1.00 14.00	Slide.Drlg (16')	3781' to 3797' R	op.16', Wob.46	0k, Gpm.300, Diff. k, Rpm.40, Gpm.3	100	Mud Pumps	
19:00 19:30	0.50 19.50	Rig Repair, Wo	rk on Auto Drille	r			#1, Nat, 9P100 Pump Rating (hp) Rod Di	ameter (in) Stroke (in)
19:30 20:30 20:30 00:00					0k, Gpm.300, Diff. , Rpm.40, Gpm.30		1,000.0 Liner Size (in)	9.00 Vol/Sik OR (bbi/sik)
Drill Strings		, <u> </u>	V. 3. T. 3.				6.50 Pres (psi) Sirokos (sp.	0.088
BHA#8, Steerab	le		IADC Bit Duit				1,120.0 85	Q (gpm) €ff (%) 298 95
4 8 3/4in, F	R22AP, M32506	3			loz) (i Total Onli Hrs ( 54.00	74	#2, Nat, 9P100 Pump Rating (hp) Rod Da	emeter (in) Stroke (in)
Nozzles (/32°)			St	ing Length (RKB) 1,409	String Wt (1000fbt) 64	BHA ROP (fi/hr) 17	1,000.0 Liner Size (in)	9.00 Vol/Sik OH (bb/sik)
Drilling Paramet Welbore Dep	GFS th Start (fix(B)   Dept	h End (ffKB)   Cum Di	epth (MKB) Drilling Ti	ove (hrs) Cum Drill	Tame ( Int ROP (fUhr)	Flow Rate (gpm)	6.50 Pres (psi) Strokes (sp.	0.088
Original Hole	3,595 (rpm) SPP	3,986	858 23. Wt (100 PU Str W	50 50.		300	Tree (pay) Olivian (ap.	or (25x1)
20			90 13			Or sim iq	Mud Additive Amo	
Hydraulic Calcul Bit Hydraulic Power (hp	ations ) HP/Area (hp.	/in²) Bit	Jet Veincity (ft/s)	Bit Pressure	Drop (pai) % P 69	bit (%)	TORK BUSTER	Cost (funit)   Consumer 3. (
23.0 Max Cesing AV (ft/min)		0.4	128.3 Min Casing AV (fi/m)	1:	31.3 en Hole AV (filmin)	12.5 TFA (incl Noz) (in²)	SUPER GEL POLY PLUS	261.0
216.1	<u> </u>	237,2	216.1	,	70.4	(EKG NO2) (BF)	PAC LV	9.0
Drill String Comp	Description					Top Thread	SOLPHALT ENGINEER SER	16.0
6 3/4" Mtr. 7/8, 5.0 PONY NMDC	<u> </u>			8.750 8.750	2.500 26. 2.750 9.	07 78	Cedar Fiber POLYMER	24.6
NMDC UBHO					2.750 30.	90	CALCIUM	51.0
NMDC			1 (		2.750 4. 2.750 30.	38	WALNUT SHELL	6.0
HWDP Drilling Jars - Hyd	raulic				2.750 1,099. 2.750 23.		Last Casing String	randonyona
HWDP					2.750 183			un Date   Set Depth (fKB) 10/4/2008   757
Survey Deta MD (fikis)	inci (		ו) טער		VS (A)	DLS (*/100ft)		
		6.30 323. 6.40 324.		3,135 3,180	1,575.81 1,622.11	1.81 0.70		
	3,859 4	16.50 324.	10	3,224	1,668.49	0.19		
		7.20 323. 6.50 323.		3,267 3,310	1,714.45 1,761.14	1.16 1.10		
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Marion En	ergy, Inc.					y Drilli			_	Report Da Report #	ate: 10/31/2001 32
Well Name	e: Oman 1	0-29	Contra	ctor: Na	abors	R	ig N	umber: 51	3	DFS: 29	- <del>-</del>
API/UWI 430073121000	Liconse No.		State/Prov	rince		inface Legal Li WSE Sec			·····	Spud Date	KB Ground Distance
Current Dopth (NKB)				Дер	th Progress		20, 1			10/2/2008 AFE Number	25.00 Total AFE + Sup Amo
Operations at Repor	4,09	9		One	rations New	t Report Perio		001		Daily Cost Total	Cum Cost To Cost
Slide. Drig @ 4* Operations Summer	182'					d Stide and		urveys		1	
Drig.115', Con TiH.tagged tigh	nections starte	d dragging : Wash to bi	50-60k ave m.285' wit	er, Circ bt h no wt. o	tm. up, T in bit.	OH, Chanç	ge out	well head wa	re bushing ,	Daily Mud Cost  Depth Start (ftKB)	Mud Addilive wat To  Current Depth (RKB)
Remarks Logger's record	ling @ 4165' B	GG 40.50 I	Inite Con	n nae 88	Linite Tr	 in ase 104	unite	Dit #4 Made	10011 in 80	3,098 Target Formation	4,099 Target Dopth (fIKB)
hrs. looked god driller ran in to Installed Reg. t	od on teeth and BOP with bit re	i gage, Bea triveable wa	ring are a are bushin	little loose	e, Chang	ed out with	a3b	vpe Security b	it. On TOH.	fERRON Time 1.og Total Hours (fir 24.00	5,356
Mud Checks				. Tysk	<u> </u>					Rig Repairs	Cum Dure
Type Water Base	7ime 12:00	Depth (fiKE 4.0		nsily (lb/gal) 9.00	Vis (	s/qt) 61	PV	Tela (cp) 15.0	/P Calc (16//100€) 12	Code 2 D	or (hrs) (hrs) 0.00 48
Gel (10s) (No//1000℃) R	Ger (10m) (lbf/100	ft²) Gel (30m) (	6(7100AF) F#		nin) Filter	r Cake (/32*) 1	рн		Solids (%)	Daily Contacts	ş (
MBT (I6/bbl)	Percent Oil (%)	Percent Wo	nter (%) CF	dorides (mg/L	) ECO	- Manual Entr	Cald	8.0 ium (mg/L) - 8	3.0 Electric Stab (V)	Job Contact Jerry Thompson	Mobile 435-448-967
		<u> </u>		1,800	L.	9.71	٠.	<u> </u>		Chuck Redmon	405-596-412
Time Log	Cum E			en de la companya de la companya de la companya de la companya de la companya de la companya de la companya de				<u> </u>		Paul Rico	405-326-356
Time End Time 00:00 03:00	Dur (hrs) (hrs	周振: [28]。	( 51') 300	5' to 4026	Ron 17	Comment Wob 20k	Rom	40, Gpm 300 i	1# 150 200	Rig Supervisor Mark Meyer	Phone Mobile
03:00 06:00	3.00 6.	00 Rot Drig	(64') 4036	3' to 4100'	Rop.21'	Wob. 20,	Rpm.	40, Gpm.300,	Diff.150-200	1	<del></del>
06:00 07:30	1.50 7.	0 Circ for s	short trip.	and check	bit. Hole	dragging		k over string v		Mud Pumps #1, Nat, 9P100	
07:30 09:00 09:00 09:30		00 TOH. pu 50 Set kelly				0' to 3950' ( New (	COM \			Pump Rating (hp) Rod D	
09:30 15:30		50 TOH on						it.)		1,000.0 Liner Size (in)	9.00 Vol/Sik OR (bbl/sik)
15:30 17:00								. freeing bush	ing out of	6.50 Pres (psi) Strokes (sp	0.088
17:00 18:00	1.00 18.0	00 Nabors	afety mee	ting with	both tour	B @ crew o	chano			(Pas) and was (sp	G (gpin) En (%)
18:00 22:00	4.00 22.	00 Install Re	eg. type w	are bushir	ng and T	IH with bit	#5 T	agged up @ 3	681'	# 2, Nat, 9P100 Pump Reting (hp) Rod D	Company Co. (Company) Editor
22:00 00:00	2.00 24.0	00 Wash to	btm. (285	') 3681' to	3966' N	o wt. on bit	Rpm	1.60 Gpm.300		1,000.0	9.00
Drill Strings										Liner Size (in) 6.50	Vol/Stk OR (bb/stk) 0.088
BHA #8, Steers	eble .		tu	NDC Bit Dull		TFA (loc) No	z) (i)	Total Doll Hrs (h	Fotal Aur. ROP (	Pres (pst) Strokes (ap	
	, R22AP, M325	06	§	44-NO-A-4-0-N		: 1		62.00	80	<del> </del>	1
Nozzies (/32*)						ngth (ftKB) ,409	String V	Vt (1000lbf) 64	BHA ROP (fthir) 32	Mud Additive Amo	
Drilling Param	eters			engan panganan angan			<u> </u>			TORK BUSTER	Cost (/unit) Const
Wellbore Driginal Hole	Algeth Start (fiKB) D 3,098	epth End (fIKB) 4,099	Cum Depth 1,85		ng Time (ha 8,00	s) Cum Dnil T 58.0		Int ROP (fi/hr) 125	Flow Rate (gpm) 300	SUPER GEL	18
	RPM (upm) S	PP (psi)	Drift Str We	(100 PÜ 9	Wt (100.	SO Se Wt		Drilling Torque	Off Bitm Tq	SOLPHALT POLY PLUS	1 1 '
20	40	1,050.0	90	L	135	50			J	PAC LV	
Hydraulic Cale Bit Hydraulic Powor (	the) HP/Arna	(hp/in²)	Bit Jet	Velocity (fVs)	1	Bit Pressure Di	nop (psi	% P@0.bi	(%)	ENGINEER SER	-
23.5 Mex Casing AV (ft/m	in) May O	0.4 sen Hole AV (fb)	ines 1 188E	128.3 Casing AV	<u> </u>	134			12.8	COTTON HULLS	
216,1	max O	237.2	17417)	21		renti Cipo	и пою. 7(	AV (ft/min) I J.4	FA (incl Noc) (in <sup>8</sup> )	CALCIUM	1 4
Drill String Co.	mponents on Description	بهديت للبينية	Jts		)D (in)	7				CARBONAT	
6 3/4" Mtr. 7/8.		<del></del>		1	6.750	1D (in)	.500	Len (ft) 26.07	Top Thread		1.2 <u>1</u>
PONY NMDC NMDC				1	6.750		.750	9.78	4		iun Date   Set Depth (ft
UBHO				1	6.500		.750 .750	30.90 4.00		Surface 9 5/8, 36#	10/4/2008 757
NMDC				1	6.500		.750	30.38			
HWDP				36	4.500		.750	1,099.00			
Dáiling Jars - H HWDP	yaraunc			9	4.500 4.500	···	.750 .750	23.45 183.99			
BHA #9, Steers	ible		ر ده . العضمون راست								
BitRun Drill Bit 5 8 3/4in,	, EBX305, 1068	38832	Į,	DC Bit Dull		TFA (incl No	vč) (i	Total Drill Hrs (h,	Total Avg ROP (		
Nozzies (/32*)						ngth (RKB) ,409	String V	vt (1000/6f)	BHA ROP (ft/hr)		
OriHing Parame Wellbore D	eters epth Start (fIKB) D	opth End (IIKB)	Cum Depth	(ftKB) Drifter	ng Time (he	s) Cum Drill T	me /	Int ROP (filter)	Flow Rate (gpm)		
ļ	4,099	4,099	Ī	į	0.00	j			300		
20	PM (rpm) Si 40	1,050.0	Drill Str Wt 90	(100 IPU \$	tr Wit (100 125	. SO Str Wit (	100	Drilling Torque	Off Blun Tq	1	
Hydraulic Cale		7		Salar Salar							
Bil Hydraulic Power (				/elocity (ft/s)	6	R Pressure Or	ор (ры)	% P@pbit	(%)		
		en Hole AV (fi/i	nin) Mir	Casing AV (	ft/min)	Min Oper	n Hole	AV (ft/min)	FA (incl Noz) (in²)		
Max Casing AV (ft/mi	н) мах Ор		£	·			,				
Mask Casing AV (film) Drill <b>String Co</b> r	mponents		Sept.		4-2-3	ID (in)		Len (ft)	Top Thread	1	
Max Casing AV (ft/mi Drill <b>String Co</b> r We	mponents en Description		Jis	1 0	D (in)					į	
Max Casing AV (ft/mi Diff!! <b>String Cor</b> He 3 3/4" Mtr. 7/8. E	mponents en Description		Jis	1 1	6.750	2.	.500	26.07			
Max Casing AV (fl/mi Drill String Cor No 6 3/4" Mtr. 7/8. ( PONY NMDC NMDC	mponents en Description		Jis	1	6.750 6.750 6.500	2 2				 	
Abax Casing AV (Mini Drill String Cor Via 3 3/4" Mtr. 7/8 9 ONY NMDC NMDC JBHO	mponents en Description		Jis	1 1 1	6.750 6.750 6.500 6.500	2 2 2 2	.500 .750 .750 .750	26.07 9.78 30.90 4.00		7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	
Aux Casing AV (Mini Drill String Con Ite 3 3/4" Mtr. 7/8 9 ONY NMDC NMDC JBHO NMDC	mponents en Description		Jas	1 1 1	6.750 6.750 6.500 6.500 6.500	2 2 2 2	.500 .750 .750 .750 .750	26.07 9.78 30.90 4.00 30.38			
Max Casing AV (films) Drill String Corolia 3 3/4" Mtr. 7/6. 6 PÖNY NMDC NMDC UBHÖ NMDC HWÖP Orilling Jars - Hy	mponents an Description 5.0		Jbs	1 1 1	6.750 6.750 6.500 6.500	2 2 2 2 2 2	.500 .750 .750 .750	26.07 9.78 30.90 4.00		The same of the sa	
Aax Cirring AV (film) Drill String Cor Yes 3 3/4" Mtr. 7/8. 6 PONY NMDC NMDC USHO UMDC UWDD UMDC UWDD Prilling Jars - Hy UWDP	mponents an Description 5.0		Jbs	1 1 1 1 36	6.750 6.750 6.500 6.500 6.500 4.500	2 2 2 2 2 2 2	.500 .750 .750 .750 .750 .750	26.07 9.78 30.90 4.00 30.38 1,099.00			
Aux Casing AV (Winting Cor 18 3 3/4" Mtr. 7/6 . 1 PONY NMDC NMDC JBHO NMDC HWDP Drilling Jars - Hy HWDP Survey Data	mponents m Description 5.0		JBS Azm /5.	1 1 1 1 1 1 36 1 9	6.750 6.750 6.500 6.500 6.500 4.500 4.500	2 2 2 2 2 2 2	.500 .750 .750 .750 .750 .750 .750 .750	26.07 9.78 30.90 4.00 30.38 1.099.00 23.45 183.99			
Max Casing AV (ft/mi Drill String Cor Ha 6 3/4" Mtr. 7/8. C PONY NMDC	mponents m Description 5.0	46.40 46.50	Jis Azm (*) 324.20	1 1 1 1 1 1 36 1 9	6.750 6.750 6.500 6.500 6.500 4.500 4.500	2 2 2 2 2 2 2	.500 .750 .750 .750 .750 .750 .750 .750	26.07 9.78 30.90 4.00 30.38 1.099.00 23.45 183.99	Ch.S.(7/000k)		

Daily Drilling Report

Contractor: Nabors

Rig Number: 513

Report Date: 10/31/2008 Report # 32 DFS: 29

	Weli Name:	Oman 10-29					D. C. 20	
	API/UWI 43007312100000	License No.	State/Province Utah	Surface Logal Localid NWSE Sec 29,		Spu	d Date 10/2/2008	KB-Ground Distance (f 25.00
	Survey Date MD (RKB)	fool (*)	Am (*)	TVD (fixE)	vs.mo D	1.S.(*/500m)		
		3,922 47.20	323.80	3,267	1,714.45	1.16		
1	3	3,986 46.50	323.70	3,310	1,761.14	1.10		
	4	1.050 46 70	324.80	3 354	1 807 63	1 20		

Marion Energy, Inc. **Daily Drilling Report** Report Date: 11/1/2008 Report # 33 Contractor: Nabors Rig Number: 513 DFS: 30 Well Name: Oman 10-29 Surface Legal Location 43007312100000 Litah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Current Depth (ftKB) Dooth Programs (fix(R) AFE Number Total AFE + Sup Amount Daily Cost Total Cum Cost To Date Depth 4473', TOH. for psi spiking fidle @ 1600 psi. Change out motor and MWD.tools, TIH, and Drig Daily Mud Cause Aud Additive Cost 10 D Wash to btm. 134' Break in bit. ( No fill ) Total Drig. 370' in 22.5 hrs.Rop.18.5, Rot.Drig.310' Rop.20.2, Slide Orlg.60' Rop.13.0. Deoth Start (us.8) 4.099 4.471 Logger's Recorded @ 4470' BGG.20-30 Units, Conn gas. 63 Units, Peak gas. 63 Units Lag time.34.1 min, Lith. 70% Shale, 30% Sand. Fuel used in last 24 hrs. 327 gals, Fuel on hand 6642 gals. Target Formation 5.356 Time Log Total Ho Time Hours (hrs.) **Mud Checks** 24.00 apth (AKB) Rig Repairs Water Base 12:00 4,400 9.00 61 15.0 12 Cum Duration Gel (10s) (lbf/100ft2 Gel (10m) (lbf/100ft<sup>3</sup> Gel (30m) (tht/100ft\* Filtrate (ml/30r 5.8 dids (%) 8.0 3.0 REPAIR RIG 0.00 MIST (IbAbbi) roent Oil (%) Calcium (mg/L) luctric Stab (V) Daily Contacts Job Conta 1.800 9.71 Jerry Thompson Time Log 435-448-9671 Start Fine End Take Chuck Redmon 405-596-4120 (hts) Comment

1.00 Wash and ream134' 3966' to 4100' Break in bit with 10k, No fill recorded Dur (hrs) Paul Rico 00:00 405-326-3560 4.00 Rot Drlg &Slide(64') 4100' to 4164' Rop.21.3, Wob.40k, Rpm.50, Gpm.300, Diff 01:00 04:00 3.00 Pin Surveyuen Mark Meyer 8.50 Rot. Drlg. & Slide (64') 4164' to 4228' Rop. 14.2, Wob. 40, Rpm. 50, Gpm. 300, 04:00 08:30 4.50 Mud Pumps Diff. 150 #1, Nat, 9P100 Pump Rating (hp) Rod 13.50 Rot.Drlg.& Slide( 96') 4228' to 4324' Rop. 19.2, Wob. 40k, Rpm. 50, Gpm. 300, 08:30 13:30 5.00 Diff. 150 1.000.0 9.00 13.30 18:00 18.00 Rot Drig & Slide (64') 4324' to 4388' Rop.14.2, Wob.40k, Rpm.50, Gpm.300, Vol/Sik OR (bbl/sik) Liner Size (in) Diff. 150 6.50 0.088 18:00 00:00 6.00 24.00 Rot Drlg & Stide (83') 4388' to 4470' Rop.13.8, Wob. 40k, Rpm.50, Gpm.300. Pres (nei) Pres (psi) Stro 1,025.0 298 DIff. 150 85 # 2, Nat, 9P100 Pump Rating (hp) Risd De 1,000.0 Drill Strings BHA #9, Steerable 9.00 er Size (in) Total Avo ROP OR (bb/stk) 5 8 3/4in, EBX305, 10688832 22,50 6.50 0.088 199 res (psi) Strokes (sp... Q (gpm) String Length (ftKB) Eff (%) String WL(1000th() IA ROP (filhs) | Drilling Parameters | Depth Start (ftKB) | Depth End (ftKB) | Cum Depth (ftKB) | Drilling Time (firs) | Cum Dell Time (... | Int. ROP (fthr) | 272 | 22.50 | 22.50 | 17 Mud Additive Amounts
Description C
WALNUT SHELL Flow Rate (gp 22.50 22.50 300 RPM (rpm) SPP (pst) Drill Str Wt (100 ... PU Str Wt (100 ... SO Str Wt (100 ... Drilling Torque 90 125 60 WOS (1000lbf) TORK BUSTER 1,050.0 5.0 SUPER GEL 117.0 Hydraulic Calculations Bit Hydraulic Power (hp) SOLPHALT 16.0 Bit Jet Velocity (ft/s) e Denn (mel) 23.5 SHINK WRAP 0.480 134.3 12.8 Max Casing AV (ft/min) PALLETS sing AV (ft/min) TFA (incl Noz) (in² 10.0 n Hote AV (ft/ Open Hole AV (f 216.1 237.2 216.1 PAC LV Drill String Components 70.4 9.0 ENGINEER SER. 1.0 OD (in) 6.750 iD (in) 2.500 CALCIUM 6 3/4" Mtr. 7/8. 5.0 29.0 26.07 CARBONAT PONY NMDC 6.750 2.750 9.78 Transportion 1.0 NMOC 6.500 2 750 30.90 POLYMER 2.0 LIBHO 6.500 2.750 4.00 POLY PLUS 1.0 NMDC 6.500 2,750 30.38 Last Casing String
Casing Description Run Date HWDP 4.500 2.750 1,099.00 Set Depth (fixis) Drilling Jars - Hydraulic 4.500 2.750 23.45 Surface 9 5/8, 36# 10/4/2008 HWDF 4.500 2.750 183.99 Survey Data MD (fixs) Incl (\*) 46.30 TVD (ftKB) 4,114 325.00 3,398 1,854.00 0.66 4.178 48.60 326.60 3,442 1,901.11 4.04 4.242 49.70 326 90 3,484 1,949.44 1.75 4.306 51.50 327.50 3,524 1.998.80 2.90 4.369 51.00 327 60 3,564 2,047.81 0.80

Marion Energy, Inc. **Daily Drilling Report** Report Date: 11/2/2008 Report # 34 Contractor: Nabors Rig Number: 513 DFS: 31 Well Name: Oman 10-29 KB-Ground Distance (6) 43007312100000 Utah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Current Denth (#KR) AFE Number Total AFE + Sup Amount 4.559 Operations at Report Tim ions Next Report Period Daily Cost Total Rot.Drig @ 4638\* Rot.Drlg & Slide and run surveys Drig.3°, Circ Btm. up , TOH for psi incresase , Change out mud mtr. and mwd. tools, TiH, Test mtr. and tools, Wash and ream to Btm. with no fill, Total Drig.89°, Rot.Drig.62' Rop.15.8 , Slide.Drig. 27° Rop.6.3 Mud Additive Cost To Date Depth Start (ftKB) Current Deoth (fix8) 4,471 4,559 Logger's recorded , Trip gas 88 units, BG.gas 20-24 units, Conn.gas 59 units, Peak gas 88 units, Lith.@ 4630', 70% SH. 30% Bent. Target Formation arget Cepth (RKB) **FERRON** 5,356 Time Log Total Ho **Mud Checks** 24.00 ity (lb/gal) Calc (thf/100ft\* Rig Repairs Water Base 16:00 4,473 9.00 47 11.0 14 Gel (10s) (6//100/2 (10m) (#bf/10 el (30m) (lbf/100ft itrate (mL/30min) Cake (/32") REPAIR RIG 4.0 0.50 48 75 MBT (Ib/bbl) ercent Oil (%) es (mo/L ECO - Manual Entr in (mg/L) Stab (V) 1,600 9.59 Daily Contacts Jerry Thompson Time Log 435-448-9671 Chuck Redmon 405-596-4120 Time End Ten 00:30 Paul Rico 00:00 405-326-3560 0.50 0.50 Rot.Drlg (3') 4470' to 4473' Wob.40k, Rpm.50, Gpm.300, Diff. 150-200 00:30 01:00 0.50 1.00 Circ and chase bit for incresase in psi. ( Psi 1600 @ idle ) Rig Supervisor 01:00 05:30 Mark Meyer 4.50 5.50 TOH. for mud motor,or plugged bit 05:30 06:00 0.50 6.00 Lay dn. MWD. tools Mud Pumps 06:00 09:30 3.50 9.50 Break off bit, change out mud mtr. Make up bit #1, Nat, 9P100 Pump Rating (hp) Rod 09:30 10:30 1.00 10.50 Service rig (in) Struke (in) 10.30 11:30 11.50 TIH to shoe 1.00 1,000.0 11:30 12:00 0.50 12.00 Test mtr. and MWD. tools OR (hb//stk) iner Stze (in) 12:00 13.50 TIH with tri-cone on steerable assy. 13:30 1.50 6.50 0.088 Pres (psi) Strokes (sp 1,025.0 85 13:30 14:30 1.00 14.50 Break circ and wash and ream to btm. ( No fill ) 14:30 16:00 16.00 Rot.Drlg.(17') 4473' to 4490' Rop.11.3, Wob.40k, Rpm.40, Gpm.300, Diff 100-150 298 19.50 Silde Drig.(25') 4490' to 4515' Rop.7', Wob.40k, Gpm.300, Diff. 80 16:00 19:30 #2, Nat, 9P100 Pump Rating (hp) Rod Dis 20.00 Work on Pason , Hook load not working, Pumped up Wt. Ind. Pason out of Houston came on line and re-caliberated sensors. 19:30 20:00 1,000.0 9.00 Liner Size (in) Vol/Stk ÖR (bbl/stk) 23.00 Rot Drig.(39') 4515' to 4554' Rop.13' Wob.45k, Rpm.40, Gpm.300, Diff. 80 23:00 20.00 6.50 0.088 23:00 00:00 1.00 24.00 Slide Drig.(5') 4554' to 4559' Rop.5' Wob.45k, Gpm.300, Diff.80 Pres (psi) Q (gpm) ieff (%) Drill Strings BHA #9, Stee Mud Additive Amounts TEA (Incl Noz) (i Total Delt Hee /h 8 3/4in, EBX305, 10688832 WALNUT SHELL 35.50 128 4.0 TORK BUSTER HOP (fi/hi 5.0 1.409 64 13 SOLPHALT 6.0 Drilling Peremeters
Wollbore Depth Sta SUPER GEL 159.0 Depth End (ftK8) Cum Depth (fixB) Drilling Time (hrs.) Cum Ordi Timo (. Original Hole POLY PLUS 4,471 4,559 SPP (psi) 460 13.00 1.0 35.50 300 WOS (1000lbf) RPM (rpm) Dall Str Wt (100 ... PU Str Wt (100 ... ENGINEER SER 1.0 SO Sir Wt (100... 45 COTTON HULLS 90 9.0 140 65 PAC LV Hydrautic Calculations ਗ਼ਮ Hydrautic Power (hp) ਜਿ 13.0 Cedar Fiber 14.0 re Drop (psi Bit Jet Velocity (N/s) 23.5 0.4 CALCIUM 15.0 128.3 134.3 128 CARBONAT Max Casing AV (ft/min) m Hole AV /ft/mir Open Hole AV FA (incl Noz) (in<sup>2</sup> 216.1 237.2 216.1 70.4 Drill String Components Rem Description Last Casing String
Casing Description Run Date iO (in) 2.500 750 Depth (ftKB) 6 3/4" Mtr. 7/8. 5.0 Surface 9 5/8, 36# 10/4/2008 6 750 26.07 PONY NMDC 6.750 9.78 NMOC 6.500 2.750 30.90 LIBHO 6.500 2.750 4 00 NMDC 6.500 2.750 30 38 HWOP 4.500 2.750 1.099.00 Drilling Jars - Hydraulic 4.500 2.750 23.45 HWDP 4.500 2.750 183.99 Survey Data (°) 49.70 4,242 326.90 3,484 1.949.42 1.75 4,306 51.50 327.50 3,524 1,998.78 2.90 4.369 51.00 327.60 3,564 2.047.81 0.80 4.434 49.50 325.80 3,605 2,097.71 3.14 4.504 49.10 325.60 3,651 2,150.74 0.61

Speed Date	1/3/2008	# 35	Report Da Report # DFS: 32	13	Report Number: 5	y Drillin Rig		Contracto			rion Ener	
Age   Comment						orfaná flakát flásis	· · · · · · · · · · · · · · · · · · ·	State/Province	29			
Provide State   Provide Stat	Ground Distance   25.00	KB-G				WSE Sec 29	, N					
20 GROR CRI Drig @ 4910   Rott, Drig @ 516de A Run Surveys	FE + Sup Amoun	Total AF	AFE Number		283					4,842		
Description of the process of the	ost To Date	Cum Cos	Daily Cost Total		irvevs						00 Rot.Drig	<b>@</b> 0:60
Second   Comment   Comme	Milive Cost To Da	Mud Add	Daily Muxsi	Pop 0.7 Dia	lide Delector	3') Pop 24 7	9 Rot Ddo /1/	s.ave.ron 13.	in 22.5 hrs	558' to 4842'	Orla( 283') 4	Total D
Compares   Concider	Depth (ftKB)	Current f		3861.02 ( 26	00, T/V depth	0 , AZzm.333	4818' inc.45.4	ast survey @	brakes, L	ng drawworks	Jo ryusa	/chan
Water   Francisco   Francisc	4,842 Depth (ftKB)	Target D	Target Formation								i	emarks
### Aud Checks ### 1500   Dopin (Refs)   Domesty (Rejigna)   Vis (Sett)   Filter Calcular (Cop)   VP Calc ((Re) (Refs)   Repairs   ### 1500   Dopin (Refs)   Domesty (Rejigna)   Vis (Sett)   Filter Calcular (Cop)   VP Calc ((Re) (Refs)   Refs (Cop)   ### 1500   Dopin (Refs)   Domesty (Rejigna)   Vis (Sett)   Filter Calcular (Cop)   VP Calc (Refs) (Refs (Cop)   ### 1500   Domesty (Refs (Cop)   Domesty (Refs (Cop)   Refs (Cop)   Refs (Cop)   ### 1500   Refs (Cop)   Domesty (Refs (Cop)   Refs (Cop)   Refs (Cop)   Refs (Cop)   ### 1500   Refs (Cop)   Domesty (Refs (Cop)   Refs (Cop)   Refs (Cop)   Refs (Cop)   ### 1500   Refs (Cop)   Domesty (Refs (Cop)   Refs (Cop)   Refs (Cop)   Refs (Cop)   ### 1500   Refs (Cop)   Domesty (Refs (Cop)   Refs (Cop)   Refs (Cop)   Refs (Cop)   Refs (Cop)   ### 1500   Refs (Cop)   Domesty (Refs (Cop)   Refs (Co	5,356 n Time Hours (hrs	(hrs) Problem		H, 20% Bent,	፬ 4842' 70% 5	70 units, Lith	nits, Peak gas and 4183 gais	onn gas 70 un gals Fuel on h	0 units, Co hrs. 956 g	B.G.gas 15-2 sed in last 24	rs recorded land , Fuel u	.ogger 10% S
Control   Cont		i	24.00	74. J. J. J. J. J. J. J. J. J. J. J. J. J.							hecks	
REPAIR (RIG)   1.00	Gum Duration	Dur (hrs)					8.80	10 8	4,71	16:00	Base	Vater !
Percent Oil (%)				Solids (%)	<del> </del>				Gel (30m) (I	(10m) (16f/100€) 16	)(16f/100f(*) Ge 6	el (10a)
Imps   Log	Mobile	****				- Manual Entr	s (mg/L) ECD	Ner (%) Chloride	Percent Wat	cent Oil (%)	bbl) Pe	BT (lb/b
Suit   Disc   End Time   Dut (plan)   (first	35-448-9671	43	Jerry Thompson			9.60	300	an any ta			OB	ima t
0.00   05.00   5	05-596-4120 05-326-3560				<u></u>	Common				Cum Our		Stert
10.30	hone Mobile	Pho		38, Diff.80-150	pm.40, Gpm.3	2, Wob.40k,	4639 Rop.16.	.81') 4558' to	Rot.Drig(	5.00 5.00	05:00	
11.30   14.30   3.00   14.50   Ajust drawworks brakes   13.00   14.50   Rot. Drig. (39) 4707 to 4748' Rop. 13.0, Wob.40k, Rpm.40, Gpm.338, Diff. 80-150   4.30   20.30   6.00   20.50   Rot. Drig. (64') 4748' to 4810' Rop. 10.6, Wob.40k, Rpm.40, Gpm.338, Diff. 80-150   4.30   20.30   6.00   20.50   Rot. Drig. (64') 4748' to 4810' Rop. 10.6, Wob.40k, Rpm.40, Gpm.338, Diff. 80-150   4.3		<u>-</u> -	E-17 - 17 - 17 - 17 - 17 - 17 - 17 - 17	8, Diff. 80-150	om.40, Gpm.3	ser. ng β, Wob.40k, F	4707' Rop.13.	(68') 4639' to	Rot.Drlg.	5.00 10.50	10:30	5:30
1.000.0   20.50   Rot Drig. (64') 4746' to 4810' Rop. 10.6, Wob. 40k, Rpm. 40, Gpm. 338, Diff. 80-150   1.000.0   3.50   24.00   Rot Drig. (32') 4810' to 4842' Rop. 9.1 Wob. 40k, Rpm. 40, Gpm. 338, Diff. 80-150   1.000.0   1.235   1.000.0   1.235   1.000.0   1.235   1.000.0   1.235	6	<u></u>	#1, Nat, 9P100				s	wworks brake:	Ajust drav	1.00   11.50		
1.50   10.00   3.50   24.00   RoLDrig. (32) 4810' to 4842' Rop. 9.1 Wob 40k, Rpm.40, Cpm.338, Diff. 80-150   4.60   4.459, Steerable   1.00	Stroke (in) 9.00	Diameter (in)	Pump Rating (hp) Rod Dis	8 Diff 80-150	m 40 Gnm 3	5. Wob.40k F	4810' Rop. 10.	(64°) 4746° to 4	Rot.Drig.(	6.00 20.50	20:30	4:30
March   Marc	OR (bbl/sik) 0.088	Vol/Stk C		Diff. 80-150	1.40, Gpm.338	Wob.40k, Rp	4842" Rop.9.1	(32') 4810' to 4	rot.Drig.(	J.DU 24.00		
Name   Device   Part   Device   Part   Device   Part   Device   Part   Device   Part   Device   Devi	}		Pres (psi) Strokes (sp.,		. <u> </u>						9, Steerable	HA #
String Langit (files)   String Wil (1000lbs)   BHA ROP (filter)   1,000.0			#2, Nat, 9P100			TFA (inci Noz) (	lit Deati	ADC B	832	X305, 10688		
rilling Parameters    Depth Start (RKB)   Depth End (RKB)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Depth (RKB)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Diffing Time (Int)   Depth (RKB)   Dept	9.00	j	1,000.0	BHA ROP (fuhr)	WL (1000lbf)			!				zziek (/
Post   Post	0.088 0.088	į	6.50		777		ene a colorania	To B. Arrene		S	Parameter	rilling
Mud Additive Amounts   Posciption   Amounts   Posciption   Part   Posciption   Po	Eff (%)	sp Q (gpm)	Pres (psi) Strokes (sp.		13	58.00	22.50	743	4,842	,559	I Hole 4	riginal
Pressure Drop (ps)   Private (hp/hr)   St. Int Velocity (h/s)   Bit Pressure Drop (ps)   % P @ bit (%)   TORK BUSTER   SUPER GEL   SOLPHALT   SHINK WRAP   POLYMER   POLYMER	g - 1 <del>- 1</del> - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	i i i i i i i i i i i i i i i i i i i	Med Additha Amai	Off 8tm Tq	Drilling Torque					(		
23.5	(/unit) Consume 9.		Description								ille Calcula	ydrau
MDC	23. 12. 1. 2. 10.		SHINK WRAP POLYMER POLY PLUS PALLETS PAC LV	FA (Ind Noz) (in/) Top Thread	C0.4 Lest (ft) 26.0° 9.76	Min Open H ID (in) 2.50 2.75	OD (in) 6.750 6.500	Jite 1		nents	216.1 ring Compe item b ftr. 7/8, 5.0	rill <b>St</b> 3/4" M DNY M MDC
WDP   36   4.500   2.750   1,099.00	. B.	4.4		L !			ment of the second					
A   A   A   A   A   A   A   A   A   A	10.0	'			6		4.500				lane Hude	
Type   Date			The state of the s					1 9		UNIC	Jais - Hydra	
4,434 49.50 325.80 3.605 2,097.68 3.14 Surface 9 5/8, 36# 10/4/2008 49.10 325.60 3,647 2,146.18 0.67 4,562 48.00 326.70 3,689 2,194.11 2.15 4,626 47.60 328.70 3,732 2,241.41 2.40	1.1	l			,			Azm (*)	V I W	inci (*	Data MD (1903)	ırvey
4 600	Set Depth (RKB) 757	Run Date S	Casing Description Ru	3.14 0.67 2.15	2,097.68 2,146.18 2,194.11	3,605 3,647 3,689		325.80 325.60 326.70	9.50 9.10 8.00	434 4 498 4 562 4	4 4 4	
				4.1								

Marion Energy, Inc. **Daily Drilling Report** Report Date: 11/3/2008 Report # 36.0 Contractor: Nabors Rig Number: 513 DFS: 33.0 Well Name: Oman 10-29 KB-Ground Distance (ff) 43007312100000 Utah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Depth End (fix 8) AFF Number Total AFE + Sup Amount 5.097.0 Operations at Report Time Daily Cost Total Circ and cond.mud for short trip @ TD.5160' TD, Circ, Short trip, TOH, R/Csg.& Cmt. Total Drig (257) 4842 to 5097 Ave.Rop.12.2 , Rot.Drig.122 Rop.15.5, Slide.Drig.135 Rop.10.3 , Circ Btm. up samples @ 5097 No shows , continue to drill. Depth Start (ftKB) Jepth End (fIKR) 4,842.0 5,097.0 Logger's recorded BG.gas 20-25 units, Conn. gas 53 units, Peak gas 53 units, Lith @ 5130' 60%SS, 30%SH, 10% Sitst, Logger's have called TD. @ 5160' Last survey @ 5104' Inc.36.07 Azm.344.48 T/V depth 4116.95 ( 33' Hi Target Formation Target Depth (ftKB) **FERRON** 5,356.0 118' Right ) Time Log Total Ho Time House thes 24.00 **Mud Check Rig Repairs** sity (Rb/gal) P Calc (Ib//100) V Calc (co) Dur (hrs.) 0.00 Water Base 16:00 4.710.0 8.80 90 25.000 15.0 Get (10s) (lbf/100 Gel (30m) (bof/100ft\* REPAIR RIG Om) (101/10 49.75 (mL/30m Cake (/32\*\* ds (%) 3.0 5.000 14.000 5.2 7.5 Daily Contacts Job Contact МВТ (М/БЫ) cent Oil (%) cent Water (%) ËČD Manual Entr 1,800.000 Mobile 9.72 Jerry Thompson 435-448-9671 Time Log Start Time En Chuck Redmon 405-596-4120 Paul Rico 405-326-3560 End Time Dur (hrs) 00:00 06:00 6.00 6.00 Rot.Drlg.& Slide (64') 4842' to 4906' Rop. 10.6 Wob.40k,Rpm.40, Gpm338, Diff.80-150 Mark Meyer 06:00 12.00 Rot. Drlg. & Stide(63') 4906' to 4969' Rop. 10.5 Wob. 40k, Rpm. 40, Gpm. 338, Diff. 80-150 12:00 6.00 Mud Pumps #1, Nat, 9P100 Pump Rating (hp) Rod 0 1,000.0 12:00 18:00 6.00 18.00 Rot Drig.& Slide(79') 4969' to 5048' Rop.13.1) Wob.40k, Rpm.40, Gpm.338, Diff.80-150 9.00 18:00 23.00 Rot.Drig.& Slide(49') 5048' to 5097' Rop.9.8 Wob.40k, Rpm.40, Gpm.338, Diff.80-150 23:00 5.00 OR (bbvsik) Liner Size (in) 6 1/2 Pres (pai) Strokes (ap 0.088 23:00 00:00 24.00 Circ Btm. @ 5097 Ordered by Mud logger's ( No show) TER (%) 1.00 Drill Strings #2, Nat. 9P100 Pump Rating (hp) Roo BHA #9, Steerable Stroke (in) IADC Bit Dull Total Avg ROP 1.000.0 9.00 8 3/4in, EBX305, 10688832 VNUSIK OR (bb/sik) 81.00 62.9 iner Size (in) Vt (1000lbf) A ROP (func) 6 1/2 0.088 Pres (psi) 1.408.57 64 12.3 Eff (%) Drilling Parameters
Weltone Depth Start (fiKB) Depth End (fiKB)
Original Hole 4,842.0 5,097.0 Dritting Time (hrs) Cum Drift Time (... tot ROP (ft/hr) low Rate (com Mud Additive Amounts 998 00 23.00 81.00 300 WOB (1000lbf) Str Wt (100 Str Wt (100.. Onthing Torque SO Sir Wt (100. Off Birm To WALNUT SHELL 1.0 45 40 1.050.0 90 140 65 TORK BUSTER 14.0 Hydraulic Calculations
(hp) HP/ SOLPHALT 6.0 ocity (fVs) % P (5) bit (%) 23.0 SUPER GEL 114.0 0.4 128.3 131.3 SHINK WRAP TFA (Incl Noz) (in 216.1 237.2 216.1 POLY PLUS 5.0 70.4 **Drill String Componer** ENGINEER SER 1.0 OD (in) 6 3/4 Len (ft) 26.07 10 (in) 2.500 PALLETS. 3.0 6 3/4" Mtr. 7/8, 5.0 PACIV 13.0 PONY NMDC 6 3/4 2.750 9.78 CALCIUM 4.0 NMDC 6 1/2 2.750 30.90 CARBONAT UBHO 6 1/2 2.750 4.00 COTTON HULLS 12.0 NMDC 6 1/2 2.750 30.38 Cedar Fiber 12.0 HWDP 36 4 1/2 2.750 1,099.00 Last Casing String Drilling Jars - Hydraulic 4 1/2 2.750 23.45 HWDP 4 1/2 2.750 183.99 Surface 9 5/8, 36# 10/4/2008 Survey Data Mo (fika) 757.0 Azm (\*) 337.30 42.70 TVD (fikB) DLS (\*/100ft) 4,945.00 3.871.00 2,763.73 3.32 4,977.00 42.00 339.10 3.894.65 2,784.81 4.38 5,009.00 41.80 341.70 3.918.47 2 805 50 5.46 5,041.00 41.60 343.60 3 942 36 2.825.90 4.00 5,073.00 40.00 344.20 3.966.58 2,845.80 5.15

### **Daily Drilling Report**

Report Date: 11/4/2008 Report # 37.0

Well Nam	e: On	nan 10-	29	Conti	ractor:	Nabo	ors	R	lig Ni	ımber:	51	3	DFS	i: 34.0	)		
API/UWI 43007312100		nse No.		State/P Utah	rovinos			e Logal Lo		3S, R7E			Spud Date 10/2/2		KB-G		ulance (fi
Depth End (RKB)		E 180 C			: <del></del>	Dopth Pr	ogress (fl)	• • • • •			····		AFE Number	:000	Total AF	25.0 E+5up	
Operations at Repo		5,160,0				Öperation	s Next Re	port Period	<u>63</u> .				Daily Cost Total		1	st To Dan	
TIH on short to Operations Summe	ну											ng & cement	Daily Muzi Cost		į		
Tatal Drig.(63'	) 5097' to dutch, TC	5160' R DH, Lay d	op.10.5, lown and	Circ Btm	. up, Rig	Repair	, Chang	e out dr	awwo.	rks brake	ass	y, repair air		<u>.</u>		$\beta = 12$	t To Date
iRemades .													Depth Start (fix) 5,097	0.	Depth Er	od (AKB) 5,160.0	5
Logger's show Inc.36.07 Azm													fergot Formation	i	Target D	5,356.0	o c
wait on bit sub	ng can	1101 1410	suu, ( Su	D Was us	sea on al	magn	et and n	nill runs	and n	ow it's mi	issin	g.)	Time Log Total I		Problem	Time Ho	urs (hrs.)
Mud Checks Type	Тити		Depth (ffK)		Density (lb/)	gal)	Vis (s/qt)		PV C	elc (cp)	ı. İV	P Calc (lbf/100fP)	Rig Repairs	£,	×	Termine	Juration
Water Base Gel (10s) (lbf/100ft	16 Gel (10m	3:00 ) (RM/100fe)	5,16 Gel (30m)	60.0 (Ib#1000°)	9.0 Fatrate (mL	0 30min)	Filter Cal	54 se (/325)	он	15.0		17.000 olids (%)	Code 2 REPAIR RIC	Dur (	(hrs) 10.00		59.75
7.000 мет (пины)	Percent C	.000	Percent W	j	5.4 Chlorides (n	ļ		1 anual Entr.	l'akin	7.5		4.0 loctric Stab (V)	Daily Conta		10.00)		33.70
	<u> </u>			- <u>.</u>	1,850.			.70				ROCURE SEED (V)	Jeb C Jerry Thomp	ontact	1/3	Mobi 5-448-9	
Time Log Stert	7	Cum Dur		ار ده در این <del>از های برای</del>							بمنست		Chuck Redn		40	5-596-	4120
Time End Tim 00:00 06:00	6.00 6.00		Rot.Drla	& Slide	(63') 509	7' to 5'	Cor 60' Ror	nment	ioh 10	L Dom 4	(A C	pm.338, Diff	Paul Rico			5-326	
06:00 07:00		1	00-150					3, 10.5 <b>V</b> V	VQD.40	K, rxpm.4	10, G	pm.338, Diff	Rig Supervisor Mark Meyer		Pho	ne Mobili	9
07:00 17:00	1.00	17.00	Circ 2-B Put rig o	n down t	ime for a	ot hav	ing anv	brakes (	Brake	e handle	2° a	f floor with no	Mud Pumps		-144		
17:00 21:00	4.00	i.	ajustmer TOH for	it) wate	o on and	cnang	ed out v	vhole br	ake aj	ustment	assy		#1, Nat, 9F Pump Rating (hp	100 Rod Diam	otor (in)	Stroke (ir	1)
21:00 23:00	2.00	23.00	TOH to I	oit to lav	down an	d relea	se Dir s	ervice					1,000.0 Liner Size (in)		Vol/Sak Di	9.0	00
23:00 00:00	1.00	24.00	Wait on	bit sub. F	Rigs bit s	ub is m	issing i	n action,					6 1/2			880.0	
Drilli Strings BHA #9, Steen	ahla		د این در داد. مستولید ماهی		<u> </u>			<u> </u>			د د. مؤتمست		1148 (Da)   BB	owers (sp)	≈r (Bbur)	Eff (	%) ···
BitRun Driff Bit	, EBX30	10888			ADC Bit Do		17	A (incl Noz	c) (i   To	olai Orill Hrs	5 (ħ.,,	Total Avg ROP (	# 2, Nat, 9F Pump Rating (hp	100 Rod Diam	oter (in)	ilroke (in	1)
Nozzies (/32*)		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	~~~		4-4-490-4		Length		itring Wi	87,00 (1000%)		59.3 BHA ROP (fUhr)	1,000.0 Liner Size (m)	<u> </u>	Vol/Sik Cil	9.{ { (bb//stk	
Drilling Param	eters			7555		ا	1,408	57		64	,,,1	12.2	6 1/2 Pres (psi) Str	okes (sp C		0.088 Eff (9	
Original Hole	5,097.0		End (MKB) ,160.0	Cum Dep 1,06		Tim Qnillin 10.8		um Drill Tin 87.00		nt ROP (ff/h)	r)	Flow Rate (gpm)	1	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	- (99/)		· · · · · · · · · · · · · · · · · · ·
WOB (10000bt) R 45	PM (rpm) 40	SPP (	ряі) ,050.0	Drift Str W	/t (100 PI		100 \$			rilling Torqu	10	Off Burn To	Mud Additiv			Zak ned	
Hydraulic Cale						· · ·	`~ <del>_</del> +	<b>0</b> 0,.	L,		, J		TORK BUST	ER	CARRE (A)	mit) Co	8.0
3ii Hydraulic Power ( 23.5			).4		Velocity (ft 128.:		Bit Pre	134.		% P (	@ bu (	%) 13	SUPER GEL PALLETS				140.0 4.0
Max Casing AV (ft/m 216.1	r)	Max Open I	10ks AV (ft/s 237.2	nin) M	in Casing A	V (ft/min) 216.1		Min Open	Hole AV		f F	A (indi Noz) (in*)	SHINK WRAI	•		ta :	4.0
Drill String Co	nponent m Descripti			Jls		OD (in)					ر لسد خيرمند		ENGINEER S				8.0 1.0
3/4" Mtr. 7/8. : PONY NMDC	5.0				1	6	3/4	10 (ln) 2.5	500	Len (ft) 26	.07	Top Thread	PAC LV	LLS	- Qi	e.e.	12.0 12.0
MDC					1		3/4 1/2		750 750		.78 .90		Cedar Fiber			$e^{-i\hat{t}}$	7.0
JBHO				· · · · · · · · · · · · · · · · · · ·	1		1/2	2.7	750	4	.00		CALCIUM CARBONAT			4	24.0
HWDP					36		1/2 1/2		750 750	1,099	.00		Last Casing Casing Description	String Run (			
Orilling Jars - Hy HWDP	/draulic				1 9		1/2 1/2	2.7 2.7		23 183	.45		Surface 9 5/8,		/2008	el Depth 757	
Survey Data MD (fixe)	· · · · · · · · · · · · · · · · · · ·	linci (*)		kam (*)		TVD (fick					·i						
5	,009.00	41	.80	341.70	1	I VD (III)	3,918.4		VS (#) 2,	805.38		i.5 (7100ft) 5.46	!				1
	,041.00		0.00	343.60 344.20			3,942.3 3,966.5			825.82 845.75		4.00 5.15	}				
	104.00		3.60 5.07	344.30			3,990.5	7	2,	864.44		4.52					i i
	.100.00	., Jt		344.48	L		4,035.0	19	2,	896.73		4.52					1
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### Daily Drilling Report

**Contractor: Nabors** 

Rig Number: 513

Report Date: 11/5/2008 Report # 38.0 DFS: 35.0

: Oman 10-		A	581					
OO License No.					3S, R7E		Spud Date 10/2/2008	KB-Ground Distance (ft) 25.00
		Depth F					AFE Number	Total AFE + Sup Amount
5,160.0 Time	······································	Operation	ons Next Report Po		00		Daily Cost Total	Cum Cost To Date
to unfreeze rig		Unfre	eze rig, TIH,La	y dn. 4.	string		H to the	Mud Additive Cost Yo Date
TIH, Try to brea	k circ.@ 4600',	Mud line froze,	Rig up circ sub	off kill i	ine and circ	6 hrs white	1,47.	Mud Additive Cost 16 Date
of truck, TOH. to	9 5/8 shoe, Dra	n mud lines and	try to unfreez	e rig.				Depth End (RKB) 5,160.0
a month to get I	boiler rigged up a	and has not ma	de any attempt	to get i	on line, Rig	will be on down	Target Formation	Target Depth (ftXB)
						hours on		5,356.0 ) Problem Time Hours (hrs.)
340.55.35.3						·	24.00	
Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV	alc (cp)	YP Calc (lbf/100ft²)		Cum Duration
16:00	5,160.0	9.00	54	\	15.0	17.000		ar (hrs.) (hrs.) 15.00 74.75
15.000		5.4	1	ĺ	7.5	4.0		1
Parcent Oil (%)	Percent Water (%)	Chlorides (mg/L) 1,850.000	ECD - Manual E 9,70	ntr Celo	um (mg/L)	Electric Stab (V)	Job Contact	Mobile
		Jack of a tab			7 37	i kananan ing		435-448-9671 405-596-4120
Cum Dur					<u> </u>		Paul Rico	405-326-3560
	Wait on bit sub	<u></u>	Comment				Rig Supervisor	Phone Mobile
							Mark Meyer	
					o break circ	on TIH.	Mud Pumps	
				<u>.</u>				ameter (in)   Stroke (in)
		44444					1,000.0	9.00
		JADO STE	ر در را بردان <del>دسسسیس</del> دادرزد <u>دی بر</u> زد ساد داشد				6 1/2	Vol/Stik OR (bb/stk) 0.088
EBX305, 10688	832			140Z) (i	Total Dell Hrs (1 87.00	1 Total Avg ROP ( 59.3		
· A		5		String V		BHA ROP (Mhr)	#2, Nat. 9P100	
iters			1,310.44		90		Pump Rating (hp) Rod Di	amater (in) Stroke (in) 9.00
				ii Time (	int ROP (fuhr)	Flow Rate (gpm)	Liner Size (in)	Vol/Stk OR (bbl/stk)
PM (rpm) SPP	(psi) Drill St	r Wit (100 PU Sir \	M (100 SO Str )		Drilling Torque	Off Birn To		0.088 O (gpm) Eff (%)
	0,000	90 1	40   (			, l <sub>e</sub> ., ,		
unations hp) HP/Area (hp	/in²) Bit	Jet Velocity (fVs)	Bit Pressure	Drop (pal	% P@	bit (%)		
n) Mex Ocer	Hole AV (ft/min)	Min Casino AV (B/n	nin) Min (	nan Hala	AV /ft/min	TEA (and block (ind)	TORK BUSTER	Cost (/umit)   Consumed 5.0
							SOLPHALT	12.0
nponents m Description	<u>j</u>	9 700	ini BD	<b>6</b> 5	Len (B)	Too Throad		A. 25 30.0
		1	6 1/2	2.750	3.0	00	POLY PLUS	2.0
/draulic				e ende		monda a composition	4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1.0
		9	4 1/2	2.750			ENGINEER SER.	// /. 1.0
Indi:	*) Azm (°)	TVD	MKB)	VS	<b>6</b> 0	OLS (*/1008)	COTTON HULLS	6.0
	41.80 341		3,918.47	a a demonstration	2,805.38	5.46	CALCIUM	6.0 29.0
							CARBONAT	
,104.00	38.60 344	.30	3,990.57				Last Casing String	un Date   Set Deoth (fiKR)
,160.00	36.07 344	48	4,035.09		2,896.73	4.52	1.1	un Date Set Depth (ffKB) 10/4/2008 757.0
								•
	5,160.0  Time 5,160.0  Time to unfreeze rig TiH, Try to brea sil truck, TOH, to a month to get II a back to circ @ d he had a emer  18:00 Get (10m) (bb/160h² 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Cum Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%)  Dur (tree) 15:000 Paccont Oil (%) 15:000 Paccont O	District   Commons   Com	Dur   Dur	Dur   Dur   Dur   Dur   Dur   Dur   Dur   Dur   Dur   Dur   (Pro)   Dur   Du	Display   Disp		Depth Progress (to)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth Progress (tr)   Depth	

Mari	on En	ərgy, ir	ıç.		Cont	ractor	E Nabo				Report umber:	513	<b>!</b>		<b>Зер</b> с	ort Da ort # : : 36.0	39.0	1/6/2	300
	Name		n 10-2	9						-						30.0			
АРИЛЖІ 430073	31210000	Licens XO	e No.		State/F Utah	revince			faco Legal L NSE Sec		13S, R7E			Spud Date	0/2/2	OOA	KB		Olstanon (ft
Depth £n	d (fiKB)						Depth Pn			·				AFE Num			Total A		up Amoun!
	is at Report	Time	5,160.0				Operation	is Next	Report Perio		.00			Daily Cos	t Total		Cum C	ost To I	Jale .
	dn. 4.5 d	Inill string	,Bit depti	h 4800°			Lay dn Cemen	. 4.5 s	tring, cha	nge o	ut pipe ram	ıs, n.	in 7°Csg an	Daily Muc			Ì		ast in Deli
Unthaw Pick up	stand p	ipe in de d break d	rrick 8 h pirc 1/2 h	rs., Untha r, Drain n	w mud nud lind	l lines a es to Til	nd mud H. 1 hr, T	pump 1H. 2	s, 7hrs, R hrs, Wasi	ig pur n and	nps and line ream to bi	es ba m. 1	ack up 3 hrs 50° 2 1/2	Depth Sta	i, 160.	O	1	Enu (HK 5,16 Depth (	0.0
Remarks Rig was Started of hole.	laying d	back ove	r to day string @	work @ 2 04:30 11	1:30, 7 -7-08 I	hats wi	en rig w gr. wants	as ba mud	ck to depi	th@(1 s60v	ime of Nab is, 4 WL be	ors r	ig failure, starting out	11	Total H 24.00		Proble	5,35 m Time	6.0 Hours (hrs)
Mud Cl														Rig Re	9 2		r (fus)	Çu	n Duration (hrs)
Турю		Time		Depth (ftKB)		Density (I		Vis (s		PV	Salc (op)	YP	Calc (lb//100ft	REPAIL	RIG	J.,	18.0	0	92.7
Water E Gel (10s)	(%f/100f <del>(*</del> )		(bf/100ft²) (	5,160 3el (30m) (#			.80 ni./30min)	Filter	57 Cako (/32*)	рH	15.0	So	11.000 lids (%)	Daily C	onta	:ts	<u> </u>	بر شار شو	
5.6 MBT (lb/b)	ър 000	15.0 Percent Oil		Percent Web	ne /84\	Chlorides	3.0	ECO	1 Manual Entr		7.5	ì	3.5	Jerry T	Job Co				60566 8-9671
,							0.000	EOD	9.42	1141	ion (ng/c)	EN	octric State (V)	Chuck Paul Ri		י מסו			6-4120 6-3560
Time L	og		واسترونات						<u> </u>					Rig Super				hone M	·
Start Time	End Time	Dur (brs)	Custr Dur (hrs.)						Comment					Mark M			!"	TOLIGI IN	OLINE
00:00 15:00	15:00 18:00	15.00 3.00							th hot oil		and kelly I			Mud Pi	mps	30.6		45.	v.
18:00	18:30	0.50	18.50	3reak circ	@9	/8 shoe	••							#1, No Fump Rai	t, 9P	100 Rod Die	motor fir	1 Street	4 /h.
18:30 19:30	19:30	1.00 2.00		Blow air d TiH.from			and mu	ıd line	s to TIH t	o LDI	P. & HWD	P.		1,00	0.0	NOU DIA			9.00
21:30	00:00	2.50	24.00		ream		5010' to	5160′	Wob.2k,	Rpm.	50, Gpm 30	Ö, Ñ	o fill , Hole	Liner Size	6 1/2	okes (sp.,.	O (gan	0.08	
Drill St	rings							٠. ٠			71777		<del></del>	800.0		86	30	2	95
BHA #1	0, Slick			immercianic est.							. Indonésia di Kabupatèn Kabupatèn Kabupatèn Kabupatèn Kabupatèn Kabupatèn Kabupatèn Kabupatèn Kabupatèn Kabup Kabupatèn Kabupatèn			# 2, Na Pump Rai	ng (hp)		meter (in		
Bit Hun 5	onli Bit 8 3/4in,	EBX305	106888	32		IADC Bit	Ou#		TFA (inc) No	12) (i	Total Drift Hrs.( 87.00	(h	Fotal Avg ROP (	1,00		L	Vol/Sik		9.00 (stk)
Nozzles (/	îz") Parame		2				Sv	1,31	oth (fl) 0,44	String V	VI (100066) 55	B	HA ROP (fi/hr)		6 1/2	okes (#p	į	0.08	
Wedbore	De	opth Start (ft		End (RKB)	Cum De	<b>ያ</b> ዩክ (fl)			Cum Drill T	ime (	Int ROP (ft/hr)	ri-j	Flow Rate (gpm	diaca	LL Saint		l	!	
Original Wöß (100		5,160.0 M (rpm)	SPP (r	160.0 mai)	Driff Str	Wt (100	0.0 Pu Str Wi		SO Str Wt	(100	Orilling Torque		300 Off Blum To		escript	on .		(/unit)	Consumer
0		0	E	0.00		90	14		65					TORK E			1		89.0
<b>Hydrau</b> Bit Hydrau	HC Calcu hc Power (h	<b>siations</b> (p) HF	/Area (hp/ir	195	Bit J	et Velocity	(fi/s)	: Be	Pressure Da	no (osi	% P @	hat 74	<u> </u>	PAC LV				55.5	1.0
May Consin	23.0 g AV (ft/mir	"		.4 fole AV (fVm		12	8.3	1	131	1:3			16	COTTO			1 . 1	10	1.0
WELL COOK	196.9	',		214.3	en)   	Min Calain	g AV (ft/mir 196.9	1)	Min Ope	n Hole 68	AV (fi/min) I.2	TF	A (incl Noz) (in²)	Last Ca	1.7 M A		<del></del> -		
Drill Str	ing Con	ponenti n Descripto			Jie		OD (in	···	10.754	144				Casing De	scriptica	n Ru	n Date		epth (ftKB)
Bit Sub			The second of the second			1		3 1/2	10 (in) 2	750	Len (fi) 3,	00	Top Thread	Surface	9 5/8,	36# ; 10	0/4/2008		757.0
HWDP Drilling .	Jars - Hy	desuile				36 1		4 1/2 4 1/2		.750	1,099.			Ji					
HWDP	,,,,,					9	C 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1/2		.750 .750	23. 183.	· 1-		-11					
Survey	Data MD (f0(8)		inci (*)		- 760	'	TVD (ft					/							
	5,	00.00	41	.80	zm (°) 341.7	o'	(Vi) (II		8.47	VS	(n) 2,805.38	D	LS (*/100h) 5.4	6					
		041.00		.60 1.00	343.6 344.2				12.36		2,825.82		4.0						
		104.00		3.60	344.3				36.58 30.57		2,845.75 2,864.44		5.1 4.5						
	5,	160.00	36	.07	344.4	8			5.09		2,896.73		4.5						
														1					
														11					

#### **Daily Drilling Report**

Report Date: 11/7/2008 Report # 40.0

				Cont	racto	r: Nab	ors -	Ri	g Nu	ımber: 5	513			S: 37.			
<b>Well Name</b> API/UWI 4300731210000	License	n 10 No.	29	State/P	rovince.			Legal Loc		3S, R7E			Spud Date	2/2008		und Dista 25.00	men (fi
Dopth End (ftKB)						Depth P	rogress (ft)			,			AFE Number		Total AFE		nount
Operations at Report		5,160.0				Operatio	ns Next Rep	ort Period	0.0	0			Dally Cost to	ual .	Cum Cost		
Nippling dn. BO		slips on	7-			Rig up			-fab,f	iowline, picl	k up slin	n hole	11		ì		
Operations Summery		·				string							Daily Mud Co	st	Mud Addil	ve Cost 1	To Date
Circ on 8tm. for K-55 set @ 515	lay dn., l 4', Ceme	_ay dn. ent with	DP & HW 120 sx. L	/DP, 30 .ead slu	min sa rrv Wt.1	fety med 11#. Tail	ating with with 90s	third par k Sturry	rty cre Wt. 1	ews, Ren 14 4.2. Circ 5	41 Jts 7" bbls to	23# nits	Depth Start ( 5.1	60.0	Depth Enc	160.0	
Remarks												• • • • • • • • • • • • • • • • • • • •	Target Forms		Yarget De		
Lead 130 sx, 16 BWOW ) .2% Ci	76 gen, 31 DI-33, .29	90 Sait, 90CFI-1	3 # sk ⊕r 175 , Circ	5 BBLS	to pits.	cele, tui	F/SK gilso	onne , 1	an 90	sk, 50/50 p	ooz, 10%	salt (	Time Log Tol				s (hrs)
Mud Checks				1 1 1			4		····	444142	40000	Weight.	Rig Repa	.00 ins			
Type Water Base	Time 02:	00	Depth (ftKE 5,16		Density (	(6/gai) 1.80	Vis (s/qt)	 57	PV C	elc (cp) 15.0		(ILF/100fF) .000	Code 2		ur (firs)	Cum Du (hrs	
3ol (10s) (bl/100ft*) 5.000	Gel (10m) (	<b>‰</b> (/100₹?)			Filtrate (i	mL/30min)	Filter Cake	(/32°)	рн		Solida (%	·}	REPAIR		0.00		92.75
	15.0 Percent Oil		Percent Wa	aler (%)	Chloride		ECD - Ma		Caton	7.5 m (mg/L)	Electric S	3.5 Keb (V)	Daily Cor		and a second second second		
					1,85	50.000	9.	42	<u> </u>		<u> </u>	7	Jerry Tho	b Contact mpson		Mobile -448-9	671
Time Log	* * * * * * * * * * * * * * * * * * *	Cum Dur	<del>                                     </del>						 				Chuck Re	dmon		-596-4	
Time End Time 00:00 04:30	Our (hrs.) 4.50	(hrs)	Circ for I	ay dn c	f 4 5 d	rill etrino	Com Build 60	Ment			Sananai		Rig Supervisi		'	-326-3 no Mobile	
04:30 06:00	1.50	6.00	Blow dn.	std pip	e, Draii	n mud lir	nes	· • • · · · - • ·	· L.				Mark Mey			O INDUMO	
06:00 12:30 12:30 13:00	6.50 0.50						elly and su Omachine		nu 2	Dia arou			Mud Pum	ps	1		
13:00 14:00	1.00	14.00	Rig casi	ng crew	Chang	ge out 4.	5 to 7" rai	ms		ng acw		,	#1, Nat, Pump Rating		ameter (in)	Stroke (in)	
14:00 23:00 23:00 00:00	9.00						Set@6 dLD.Mad						1,000.0	)		9.0	Q.
	1.00	24.00	Circ and	ng on.	casing	Gew an	U LLJ. IVIBA	31001365			- 42.4 <del>7</del>			) 1/2	Vol/Sik Of	(666450K) D. <b>08</b> 8	
Drill Strings BHA #10, Slick	ويدر ورو وموشق	وتنشيه بعد				د منازد ستسم	<del> </del>			تسته أبد أخاب			Pres (pei) 800.0	Strokes (sp 86	© (gpm) 302	Eff (%	6) 95
3lt Run   Orill Bit   5   8 3/4 in .	EBX305	10688	832		A.A.D	t Dull 0-2-5-1-		A (snot Noz	) (i 1	otal Drill Hrs (h 87.00		wg ROP ( 59.3	# 2, Nat,	9P 100	and make an are a		
Yozzles (/32")		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			(7.532		ning Length (		lring W	t (1000lbf)		OP (f/hr)	Pump Rating 1,000.0		1	9.0	0
Drilling Pareme	tors	2010					1,337.6	52 i		58	Jayan		Liner Size (in	1/2	Vol/Sitk Of	(bb##k) 0.088	
Velbore De Original Hole	oth Start (ft 5,160.0		h End (ftKB) 5,160.0	Cum De	pth (ft)		ime (hrs) Co 00	um Dritt Tie	ne ( l	ni ROP (Mhr)	i i	ate (gpm) 300	Pros (psi)	Strokes (sp		E# (%	i)
	M (npm)		(pe)			PU Str V	/t (100 Sc		00	Onthing Torque	Off Bin			i	. i		
Hydraulic Calcu	40		800.0		90		40	65	: 1		<u>i</u> .,_	· · · · · · · · · · · · · · · · · · ·		oription	Cost (/s	nit) Cor	risumec
Bit Hydraulic Power (F		/Area (hp	An')	B# J	et Velocit	y (fi/s)	Bit Pro	sssure Dro	p (psi)	% P @	hit (%)		TORK BU		1	EN	5.0 53.0
Max Casing AV (fl/mir	<del>o 1</del> ji	Vax Open	Hola AV (N	min)	Min Casi	ng AV (ft/m	in)	Min Open	Hole A	V (fl/min)	TFA (incl	Noz) (in²)	SOLPHAL		-	171	10.0
Orill String Con				!						· · · · · · · · · · · · · · · · · · ·	ļ <u></u>		POLY PL			3	30.0
Rer	n Descriptio		المستف	Jhs		000 (1		ID (in).	- ]	Len (ft)		Thread	PALLETS		-	2.1	21.0
Bit Sub HWDP					36		6 1/2 4 1/2		750 750	30.3 1,099.0			PAC LV			- 1	7.0 13.0
Drilling Jars - Hy	draulic				1		4 1/2	2,7	750	23.4	<b>1</b> 5]		LIME			1	2.0
HWDP Survey Data					9		4 1/2	2.7	750	183.9	99		ENGINEE			- [	1.0
MD (NKS)	000.00	Inci (		Azm (*)		TVD (			VS (		DLS (*/		CALCIUM			745. 131.4	12.0 20.0
	,009.00		41.80 41.60	341.7 343.6	3		3,918.4 3,942.3		-	2,805.38 2,825,82		5.46 4.00	CARBON	<b>\T</b>		1	
	073.00		10.00	344.2	20		3,966.	58	2	2,845.75		5.15	Mil-Bar SODA AS	Н		.)]	45.0 5.0
	104.00		38.60 36.07	344.3 344.4	- 1		3,990.9 4,035.6			2,864.44 2,896.73		4.52 4.52	Last Casi	ng String	••		
												7.02	Casing Descri	iption H	un Date   5 11/7/2008	et Depth 5,154	
												ļ	14 IVER FIRECARE		11772006	3,13	
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Marion Energy, Inc. Daily Drilling Report Report Date: 11/7/2008 Report # 40.0 Contractor: Nabors Rig Number: 513 DFS: 37.0 Well Name: Oman 10-29 Surface Legal Location 43007312100000 Utah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Depth End (fiks) AFE Number Total AFE + Sup Amount Operations Next Report Period Daily Cost Total Can Cost To Date Nippling dn. BOP to set slips on 7' Rig up air package, Pre-fab,flowline, pick up slim hole Daily Mud Cost Mud Additive Cost To Date Operations Summary 30.7 Circ on Btm. for lay dn., Lay dn. DP & HWDP, 30 min safety meeting with third party crews, Ren 141 Jts 7" 23# K-55 set @ 5154', Cement with 120 sx. Lead slurry Wt.11#, Tail with 90sx Slurry Wt. 14.2, Circ 5 bbls to pits. Dopth Start (IIKA) Depth End (IKE) 5.160.0 5,160.0 Remarks Target Formation Lead 130 sx. 16% gel, 390 salt, 3 # sk GR-3 1/4 #/sk flocele, 10# / sk glisonite , Tail 90 sk, 50/50 poz, 10% sall ( BWOW ) .2% CDI-33, .290CFI-175 , Circ 5 BBLS to pits. FERRON 5,356 0 Time Log Total His 24.00 rablem Time Hours (fire) Rig Repairs YP Calc (Ibf/100ft\*) Cum Dunation Water Base 02:00 5,160.0 8.80 , 57 (hrs) 15.0 11,000 Gel (10s) (fb//100ft\*) | Gel (10m) (lbf/100ft\* REPAIR RIG Gel (30m) (80f/100ff2 (mL/30 Solida (%) 0.00 5.000 6.0 7.5 3.5 MBT (Ib/bbl) nt Oil (%) Daily Contacts
Job Conta Calcium (mg/L) Electric Stab (V) 1.850.000 9.42 Jerry Thompson 435-448-9671 Time Log Start Time En Chuck Redmon 405-596-4120 Gum Dur (hre) Paul Rico 405-326-3560 End Time Dur (hrs) 4.50 4.50 Circ for lay dn. of 4.5 drill string. Build 60 Vis, 4 WL 00:00 Rig Superview 04:30 06:00 1.50 6.00 Blow dn. std pipe, Drain mud lines Mark Meyer 06:00 12:30 6.50 12.50 Lay dn. 4.5 drill string. Break kelly and subs Mud Pumps 13.00 Post job safety meeting with, LDmachine, Csg.crew & Rig cre 12:30 13:00 0.50 14.00 Rig casing crew, Change out 4.5 to 7" rams #1, Nat, 9P100 Pump Rating (hp) Rod D 13:00 14:00 1.00 14:00 23:00 23.00 Ran 141 Jts 7" 23# K-55 casing. Set @ 5,154" 9.00 1,000.0 9.00 23:00 00:00 1.00 24.00 Circ and rig dn. casing crew and LD. Machine OR (obl/stk) (psi) | Strokes (s 6 1/2 Drill Strings 0.088 ET (%) BHA #10, Slick 302 IADC Bit Dut TEA (joct Nov.) (i Total Dull Hee /h #2, Nat, 9P100 Pump Rating (hp) Rod Di 1,000.0 8 3/4in, EBX305, 10688832 4-4-no-a-5-1-no-TD 87.00 59.3 String Length (ft) ML (1000lbi) 9.00 1,337.82 Vol/Stk OR (bbl/stk) 58 mer Size (in) Drilling Parameters
Wellbore Depth Start (fiKB) Depth End (fiKB) 6 1/2 0.088 Drilling Time (hrs) Cum Drill Time (... int ROP (films) Cum Depth (ft) Flow Rate (gp Pres (psi) Strokes (sp... Q (gpm) Original Hole 5,160.0 Eff (%) 5,160.0 0.00 300 RPM (rpm) Orth Str Wt (100... PU Str Wt (100... SO Str Wt (100... Orthing Torque SPP (psi) WOB (10006f) 45 40 800.0 140 90 65 **Mud Additive Amounts** Cost (/unit) | Co Hydraulic Calculations
Bit Hydraulic Power (hp) | HP/Ar Description TORK BUSTER Bit Jet Velocity (ft/s) Bit Pressure Drop (psi) % P @ bit (%) SUPER GEL 53.0 Max Casing AV (ft/min) Min Casing AV (fl/min) SOLPHALT 10.0 SHINK WRAP 30.0 Drill String Components POLY PLUS 1.0 OD (in) 6 1/2 PALLETS (in) 2.750 21.0 Bit Sub 30.38 PAC LV 7.0 HWDP 2.750 36 4 1/2 1.099.00 MICA 13.0 Drilling Jars - Hydraulic 4 1/2 2.750 23.45 LIME 20 HWDP 4 1/2 2.750 183.99 ENGINEER SER. Survey Data MD (fix8) 1.0 COTTON HULLS 12.0 ncl (\*) 41.80 Azm (°) 341.70 (1008) 3.918.47 VS (R) 2,805.38 CALCIUM CARBONAT 5,009.00 20.0 5,041.00 41.60 343.60 3.942.36 2,825.82 4.00 Mil-Bar 45.0 5,073.00 40.00 344.20 3.966.58 2 845 75 5.15 SODA ASH 5.0 5 104 00 38.60 344.30 3,990.57 2.864.44 4.52 Last Casing String
Run Date 5,160.00 36.07 344.48 4,035.09 2.896.73 Set Dooth (flKB) Intermediate 11/7/2008 5,154.0

### Daily Drilling Report

Contractor: Nabors

Ria Number: 513

Report Date: 11/8/2008 Report # 41.0

	i Name	: Om	an 10-	29								,,,	DFS: 3	8.6	
43007	3121000		se No.		State/f Utah	Province			face Legal Lo VSE Sec 2		3S, R7E		Sped Date 10/2/2008		KB-Ground Distance (# 25.00
Depth E	nd (flike)						Depth Pr	ogress (	ft)				AFE Number		at AFC + Sup Amount
W			5,160.0	)		W1.1.1	1			0.0	00			,,,,,	and a companie
	ns at Repor		Digging	up LD. ma	anhina.		Operation	ns Next	Report Pence				Daily Cost Total	Cur	m Cost To Date
Operatio	na Summan	/	, raggarg	up LD. Inc	acriere		J. ICK U	p sam	noie assy,	stage	in blowing	hole , Air drill.	95,210.5		
Circ, C	ement 7	casing.	Nipple o	tn.set slips	в, Мірр	ie up. C	hange o	ut kelh	vs and sub	s. Ric	un nine ra	cks and move in	Daily Muzi Cost	Mek	d Additive Cost To Deb
3.5 UF				•					,			ono and move at	Depth Start (ftKB)	Des	oth End (fiKB)
Remarks					· · · · ·								5,160.0		5,160.0
Did no	thrush up	o pre-fa	b flow lin	ne for air d	Irilling,	Welder	went in	until d	aylight (co	ald, we	t, and dark	, ) Need 2"	Target Formation	Tan	get Depth (RKB)
picking	up slim	hole ass	um nagr W.	IDF Z BIFT	mes, 14	re-place	aresser	sneev	e so flow i	ine is	solid, to be	e ready to start	FERRON	(han) Dan	5,356.0 blem Time Hours (hrs)
·						<del>.</del>							24.00	(ors) (ens	ewan ikue uenta (taa)
	hecks			1. 1814.54		i i nym 11 i Liga at ym							Rig Repairs		
⊤ype Water		Time		Depth (ftKB)		Donsity (1		Vis (s/		PVC	He (ep)	YP Calc (lbf/100fF)	1 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7		- Cum Duration
			:00	5,160 Gel (30m) (ii		8.	.80		57	- l	15.0	11.000	Code 2 REPAIR RIG	Dur (his)	
5.	000	15	.000	Com (com) (s	OV HAME,		icratumin) 1.0	Patter (	Cake (/32") 1	ρН	7.5	Solids (%)	REPAIR RIG	-,-, <b>c</b>	0.00 92.7
мвт пыл	abi)	Percent C		Percent Wat	er (%)	Chlorides		ECD -	Manual Entr.	Calcio	m (mg/L)	3.5 Electric Stab (V)	Daily Contacts	, Marie	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
		1					0.000	{	9.42		( <b>g,</b>	E.AAJAR: BIBO (1)	Job Contac		Mobile
Time t		411.5	1,000	V. 1984. 1	17					100		in the Carter of the	Jerry Thompson		435-448-9671
Time t		7	Cum Dur	<del>ئىنىنىن</del>		غصنت							Chuck Redmon		405-596-4120
Time	End Time		(aus)				41 July 1		comment		. 1.		Paul Rico		405-326-3560
00:00	02:00	2.00	2.00	Circ Casi coment tr	ng on l rucks	btm., rig	dn.cesii	ng cre	w & LD.ma	achine	, move pipe	e racks, to rig up	Rig Supervisor Mark Meyer		Phone Mobile
02:00	04:00	2.00		Cement 7	" casi	ng. with	130 sx L	ead 9	0 sx. tail. (	Circ 5	bbls to pits		L. Control		
04:00	09:00	5.00	9.00	Nipple dn	. BOP								Mud Pumps		<u></u>
09:00	11:30	2.50	A	Set slips		t off 7° c	asing						#1, Nat, 9P100 Pump Rating (hp) Re	d Diametu	f first Stroke (in)
11.30	18:30	7.00		Nipple up									1,000.0	U 10140100100	9.00
18:30	22:30	4.00	1	Change o									Liner Size (in)	Vol	Stk OR (bbl/stk)
22:30	00:00	1.50	24.00	Move rac	ks and	put 3 1/	2 DP. o	n rack	3				6 1/2	l	0.086
Drill S	trings				. 3 / <u>. 11 / 1</u> 2		e jelen je						Pres (pai) Strokes	(sp Q (g	10m) Eff (%)
Bit Run	Drill Bit					IADC Bit	Dull		TFA (Inc.) Noz	) (i T	otal Onli Hrs (F	Total Avg ROP (	#2, Nat, 9P100 Pump Rating (hp) Ro	d Diameter	
Vozzles (	/32")						Str	ing Leng	th (ft)  S	tring W	(1000lbf)	BHA ROP (fi/hr)	1,000.0 Liner Size (in)	ivar	9.00 Six OR (bb/six)
	. 1007 - 100						İ			-		,	6 1/2	1	0.088
	Pareme	ters	umpace verice e		Their name								Pres (psi)  Strokes	(sp Q (g	pm) (Eff (%)
Nellbore	De	apth Start (	nks) Dept	h End (ftKB)	Cum Do	spih (ft)	Ontling To	me (hre)	Cum Drift Yu	ne ()	nt ROP (ft/hr)	Flow Rate (gpm)	<u> </u>	i	
WOB (10	DONO/) RI	M (rpm)	SPP	(Dai)	Doll Str	Wt (100	PRISH W	7100	SO Str Wi (1	00	Calling Tames	Off Bun Tg	Mud Additive A		ta a esta e e e
				<b>U</b> 7		*** ( 100		((100	SO SE FICE		wastig sordine	On Bun 1q	Description		cost (/unit)   Consumed
Hydra	slic Calc	dations	eren eren eren eren eren eren eren eren						·				ENGINEER SER	.	750.00 1.0
Bit Hydra	ulic Power (I		P/Area (hp/	n*)	Bit .	let Velocity	(ft/s)	Bit	Pressure ()n)	o (psl)	1% P @	bii (%)	Last Casing Str	ina	
					:		•	j			1		Casing Description	Run Dat	
Max Caax	ng AV (filmi	n)	Max Open	Hole AV (film	mil)	Min Castre	AV (fi/mi	п)	Min Open	Hole A	V (ft/mln)	TFA (incl Noz) (ln²)	Intermediate	11/7/20	008 5,154.0
		220.00.00				L						}			
יוווי סו	ring Con	m Descriot		<u></u>	Jie		OD (in	<u></u>	ID (m)			مستون ويهاج ويها سجنت			
ela menti mi						14 <u> </u>	OD (iii	Y	167 (41)		Len (ft)	Top Tivend	1		
Survey	Data														
	MO (MRB)		Incl (*	7	am (°)	1	TVO (fi	KB)	Tar.	VS (	<b>5</b>	DLS (°/100ft)			
		,009.00		1.80	341.			3,91	8.47	2	,805.38	5.46			
		041.00		11.60	343.6			3,94	2.36	2	,825.82	4.00	}		
		,073.00		0.00	344.2				6.58		,845.75	5.15	į		
		,104.00		8.60	344.3				0.57		864.44	4.52	į.		
	5	,160.00		6.07	344.4	¥6		4,03	5.09	2	,896.73	4.52	1		
												į	1		
												-	1		
												3	:		

## Daily Drilling Report

Report Date: 11/9/2008 Report # 42.0

Mud Checks   Property   Time   Time   Depth (first)   Demmity (birgur)   Vis. (s/di)   PV Cate (cp)   Time   Composition (first) (birgur)   Composition (first) (birgur)   Vis. (s/di)   PV Cate (cp)   Time   Composition (first) (birgur)   Composition (first) (birgur)   Composition (first) (birgur)   Composition (first) (birgur)   Composition (first) (birgur)   Composition (first)   Compositio	Well N	lame:	Om	an 10-	29	COIIL	actor		1013		KIŲ N	umper.	313		DF	S: 39.0		
Digital Find (Incids)		*1กอกก		99 No.			rovince										KB-G	
Document   Document						Dian		Terrow A	-		IC 29, 1	135, R/E				2008	<u>. l</u>	
Title description   Title   Title   Title   drying up as we go, air drift to 5500'   Controlland		•		5,160.0	•			Depth	-тодгевв (	π)	0	.00			AFE Number		Total A	E + Sup Amoun
Constitute Surrency   Mark Assertion   Continued Surrency   Mark Assertion   Continued Surrency   Continued Surr															Daily Cost Total	ĝ	Cum Co	st To Dan
Dispersion   Commonstrate   Dispersion   Commonstrate   Dispersion	Operations Su	ummary															Mud Ad	ditive Cost To Da
Section   Continue	Duckets ar	nd air l	noist, m	ade nev	hanging p new ke	ity and cable fo	pr pipe :	g tor sill spinner	m nole , 's and s	, Rig rej snub lin	paur,( 14 es, Pick	inrs.) Work up 3 1/2 d	k on ti lp with	ong weight i LD.	Depth Start (ft)	(B)	Cepth E	ns (nKB)
Boller will not stay running, toolpusher and crews spend most of the day running back and forth working on it. The could have showed things down from the roughmock to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the day running back and forth working on it. The could have showed things down from the roughmock to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the vender's, Air jammer's say 4 hrs. to blow to the welder's to the		Z Mrs.															] ]**amin' ë	
Multiple   Multiple	Boller will cold has s	lowed	things (	down.fro	m the roug	l crews ghneck	spend to the t	most o welder's	f the da s to the	y runnir vender	ng back 's, Airj	and forth w ammer's sa	workin ay 4 h	g on it, The rs. to blow to	FERRON Time Log Tota 24.	Hours (hrs)	1	5,356.0
Type   Type	Must Chec	oke	7		1 1								J. H.	<del>4.0%</del>	Rig Repair	San er		Com Ouration
Second   Color   Col	Туқхе	}	Time		Depth (RKB	)	Density (	to/gad)	Vis (s/	at)	PV	Calc (cp)	ΥP	Calc (It//100ft²)				(tun)
5.000   15.000   15.000   9.42   1.55   3.5												15.0			REPAIR R	G	14.00	106.
MST (robbs)   Percent Cli (%)   Percent Waser (%)   Controller (rop/)   1,850.000   9,42   Calcium (rop/)   Electric State (v)   Jerry Thompson   435-448-9877   Thompson   435-448-9877   Thompson   435-448-9877   Thompson   435-448-9877   Thompson   435-448-9877   Chuck Readmon   405-596-4120   Paul Rico   405-326-3560   Rich   Thompson   435-448-9877   Chuck Readmon   405-596-4120   Paul Rico   405-326-3560   Rich   Thompson   405-596-4120   Paul Rico   405-326-3560   Rich   405-326-326-3560   Rich   405-326-326-3560   Rich   405-326-326-3560   Rich   405-326-326					(Sea (Soin) (s	nn tuom-)			) Is latest of	•	) рн	7.5	Soli				15-20	1.4.71.4
Chuck Radmon   405-596-4120   Captions   Continent	MBT (Ib/bbl)		Percent O	# <del>(%)</del>	Percent Wa	ter (%)	Chlorides	s (mg/l.)	ECD -	Manual E	ntr Cal		Elec					
Paul Rico   Paul Rico   Surf		1			<u> </u>		1,85	50.000		9.42					, ;	•	1	
Time   End Time    Dur (type)   Prints    Dur (type)   Prints    Dur (type)   Prints    Dur (type)   Prints    Dur (type)   Prints    Dur (type)   Prints    Dur (type)   Du				ilette.	18 A Se						1 100		No.			,,,,,,,	1	
00:00   03:00   3:00   3:00   Move 3 1/2 DP on to main racks, Pick up alim hote kelly and bushings.   03:00   08:00   5:00   8:00   Rig up Floor to pick up 3 1/2 DP , Rig up LD machine to pick up sim hote assy.   Mark Meyer   17:30   9:50   17:50   Work on bring weights.   17:30   22:00   4:50   22:00   Work on pipe spinner hanger, and air hoist.     17:00   Work on pipe spinner hanger, and air hoist.     10:00   00:00   2:00   24:00   TiH on air, blowing hole dry every 1000'   1:000   00:00   1:000   00:00   9:00   00		vi Tima	Door store)				ere ere	7. :			min m caa c			eret i eresistanea illustra	d :		ID-	one (deble
03-00   08-00   5.00   8.00   17:30   9.50   17:50   Work on tong weights,					Move 3 1	/2 DP (	on to m	ain rac			m hole	kelly and bu	ushin	as.	1 2	r		TO PE TVICKERO
17:30   22:00   4.50   22:00   Work on pipe spinner hanger, and air hoist				8.00	Rig up Fi	oor to p	oick up								I have a series		i	· · · · · ·
22:00   00:00   2.00   24:00   THIS or larger, and at those.   1000   0.00   0.00   24:00   THIS or air, blowing hole dry every 1000"   1,000.0   0.00   0																	·	elected resources or to be a second
Drill Strings   SHA #11, Slick   Strong Delicit   Strong Delicit   Strong Delicit   Strong Delicit   Strong Delicit   Strong Wit (1000es)   Strong Wit (1000es)   SHA ROP (Whr)   Strong Wit (1000es															Pump Rating (I	ip) Rod Dia	meter (m)	
Drill strings	44.00 (M	3.00	2.00	24.00	I I I On a	r, Diowi	ng noie	ary ev	ery 100			and the second					701.701.00	
Sit Num   Defil Br   Sit Num   Pull Br   Sit Num   Pull Br   Sit Num   Pull Br   Sit Num   Sit			<u> 1211,</u>			ر ئىسىئرىيىتى	ر مستارات ما ا		1.15	81. H	933	13.00				12	Vollste	
String Length (ft)   String Wt (1000kt)   String Wt (1000kt)   String Wt (1000kt)   String (hip)   Rod Diameter (in)   Stroke (in)			بالمصلف				The Articles				dyn .						Q (gpm)	
1.296.21   17   17   17   17   17   18   18   1			R22ap,	MP5052	2		IAUG BI			TFA (and	Noz) (i	Total Onli Hra	: (h j T	otal Avg ROP (	l		<u>i                                      </u>	e de deservación de la compansión de la compansión de la compansión de la compansión de la compansión de la co
Drilling Parameters   Depth Start (NKB)   Depth End (RKB)   Cum Depth (IV)   Ording Time (hris)   Cum Delti Time ( Inf ROP (ft/hr)   Flow Rate (spm)   6 1/2   0.088   0.088   0.088   0.08   0.00   0.0	Nozdes (/32*)	<u> </u>						S			String		в	HAROP (ft/hr)	Pump Rating (t		meter (in)	
Criginal Hole   Continued	Drilling Pa	arame	ters	KIERTIK	e dan leese vare			and the second	Sand in State			and the second		12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			Vol/Stk (	
WOB (1000lb)   RPM (rpm)   SPP (pa)   Drill Str viv (100						Cum De	ion (n)			Cum Dri	ili Time (	Int ROP (ft/hr	r) F				İ.	
Multiple Calculations   Bit Personal Properties   Bit Pressure Drop (psi)   % P @ bit (%)	WOB (1000)bi		M (mm)		(psi)			PU Sir I	Wt (100			Drilling Torqu	ue C		Pres (psi)	itrokes (sp.	(gpm)	Eff (%)
Description   Description	the statement of					4		.1	T -			<u></u>	e jily		Mud Addit	ve Amor	mes	
Max Casing AV (furnin)				P/Area (hp	An <sup>x</sup> )	Bit J	ef Velocit	y (fl/s)	Bi	Pressure	Drop (ps	) %Pe	(2) bit (%	<del>,</del>	Descr	ption	Cost	
Drill String Consponents   Set Depth (RKS)   S	Max Casing A	V (fUmin	, <u>.</u>	Max Open	Hole AV (fl/r	nio)	Min Casir	na AV (fl/r									. 7	50.00 1
Name   Description   Jbs   Oct (in)   D. (in)   Len (it)   Top Thread						,			,	1	eposition to many	est filterinity	,,,,	(III.02 1402) (BT)	Casing Descrip		n Date	Set Depth (fixe
Bit Sub	Drill String	g Con	ponen	<b>s</b>	7			or many							Intermediat	e   1	1/7/2008	5,154.0
Survey Data   MO (fix/8)   Mod (f)   Azin (f)   TVD (fix(8)   VS (fi)   DLS (*/160fix)		80017	Livescrapt	ion		Jbs	1			10.(	2.764	3		Yop Thread				
MO (Mr48)			<del></del>				42		3 1/2		2.764	1,293	3.16		' ; <del>i</del> :			
5,009.00     41.80     341.70     3,918.47     2,805.38     5,46       5,041.00     41.60     343.60     3,942.36     2,825.82     4,00       5,073.00     40.00     344.20     3,966.58     2,845.75     5,15       5,104.00     38.60     344.30     3,990.57     2,864.44     4,52				Incl (	7	Azın (°)		TVD	(fKB)	· · · · · · · · · · · · · · · · · · ·	Vš	765		S (*/100h)	: ; : :			
5,073.00     40.00     344.20     3,966.58     2,845.75     5.15       5,104.00     38.60     344.30     3,990.57     2,864.44     4,52							-			8.47	M. A. Manualdian				( )			
5,104.00 38.60 344.30 3,990.57 2,864.44 4.52									, ,						1			
e and an in the second							1			- :								
7,00,00 2,000,70 4,02															)			
									7.00			E,030.13		4.02				
															1			

#### **Daily Drilling Report**

Report Date: 11/10/2008

Well Name	: Om	an 10-		Conti	ractor	: Nab	ors	F	Rig N	iumber:	513		Report # DFS: 40.		
430073121000	DC Licens	us No.		State/P Utah	rovince			lace Lagal L VSE Sec		13S, R7E		and the second section of the second	Spud Date 10/2/2008	KB-0	Ground Distance (R)
Depth End (fix8)					- : : :	Depth P	rogress (		23, 1	133,1476			AFE Number	Total A	25.00 FE + Sup Amous
Operations at Repor	Time	5,160.0				Orwanie	ons Next	Report Perk		.00			Deity Cost Total	1	
Air drig 6 1/8 ho Operations Summan	de @ 52	85					II to 55		~				1 4 495 7	1	Del To Dale
TIH, Unloading	hole eve	ery 1000	'. Tag cem	ent pk	ıg @ 51	18', Ы	lowed	hole dry	6 hrs.	pump soa	p swe	eps trying to	Daily Mud Cod	Musi As	iditive Cost To Oate
dry up hale to d 2200 cfm @ 26	ust, Fo	wing 2 /	12" stream	ı water	@ bou	y line, S	Started	mist drilli	ng wit	h 3-compr	essor	1- bster for	Depth Start (ftkB) 5,160.0	Depth (	End (RKB)
Remarks	·						·						Target Formation	Target	5,160.0 Depth (RKB)
Logger's record units Lith 80%	ed @ 52 SS. 10%	37' Back SH. 109	k ground g % SLtst.	as 80 t	inits, Co	onn gas	120-1	30 units,	Trip g	as 340 uni	its, Pe	ak gas 340	FERRON Time Log Total Hours (h	rs) Probler	5,356.0 n Time Houre (hirs)
Mud Checks		577.7											24.00		
Туре	Time		Depth (RKB)		Density (1		Vis (s/		PV	Calc (cp)	Αþ	Calc (Ib/7100ff*)	Rig Repairs		Cum Dumbon
Water Base Get (10s) (bt//100ft*)		:00 (##/100#*)	5,160 Gel (30m) (it			.80 nL/30min)	Filter (	57 Sake (/32")	pН	15.0	Sol	11.000 ids (%)	Cotto 2 t	Jur (hrs) 1.00	(tus) 0 107,75
5.000 MOT (lb/bbi)	15. Percent Of	000 10%)	Percent Wat	er (%)	Chkristes	6.0	Eco.	1 Manual Ent	- 10-4	7.5	i	3.5	Daily Contacts		
				., (,,,,		0.000	LUD	9.42	Can	aum (mg/c)	ERC	ctric Stati (V)	Job Contact		Mobile
Time Log			otrin vi										Jerry Thompson Chuck Redmon		35-448-9671 05-59 <del>8</del> -4120
	Dur (hrs)	Cum Dur (hrs)		100				comment					Paul Rico	4	05-326-3560
00:00 05:00 05:00 06:00	5.00 1.00		Stage in I Rig Repa					000,					Rig Supervisor Mark Meyer	P	hone Mobile
06:00 14:00	8.00		Stage in t					000'	<u>.</u>				Luvia Section		
14:00 14:30 14:30 21:00	0.50	14.50	Rig dn. Ll	) mach	ine								#1, Nat, 9P100		
21:00 23:00	6.50 2.00	23.00	Drill ceme	dry wi	th 2200 & float	cim @ collar.	260 ps	i , flowin i cement	ვ 2″ s რი 51	tream of w	vater (	D bouy line.	Pump Rating (hp) Rod [	iameter (in	
23:00 00:00	1.00		Circ and t				69-						1,000.0 Liner Stze (in)	Vol/Sik	9.00 OR (bb//sfk)
Drill Strings	enton sources			100									6 1/2 Pres (psi) Strokes (si	э <b>О</b> (gpm)	0.088 ) (Eff (%)
BHA #11, Slick	ويورز فالكشف	<u> </u>			IADC BIL	Ch.a		TEA (mol N	****	Total Drill Hrs					
6 6 1/8in,	R22ap,	MP5052				******						otal Avg ROP (	#2, Nat, 9P100 Pump Rating (hp) Rod D	nameter (in	Stroke (m)
Nozzles (/32*)						SI	ring Leng 1,29		Strkvy (	Nt (1000#6₽) 17	В	HAROP (fUbr)	1,000.0 Liner Size (in)		9.00 OR (hbi/ark)
Drilling Parame		WAS (Dank	n End (RKB)	Cum No	n#n 2005	Towns T		795		Titoosa as			6 1/2	i	0.088
Original Hole	5,160.0	) 5	,160.0			0.	00			Int ROP (filt)	NF)   F	low Rate (gpm) 0	Pres (pai) Strokes (s	ı (Q (gpm)	)  Eff (%)
WOB (1000lbf)   RI 30	™ (rpm) 60	SPP	(psi) 800.0		MI (100 4	PU Str W		so sir Wt		Drilling Torqu	iie C	Off Blum To	Mud Additive Amo	norte.	
Hydraulic Calc								1,375					Description ENGINEER SER.	Cost	(/unit)   Consumed 50.00 1.0
Bit Hydraulic Power (I		P/Area (hp/	in²)	Bit &	H Velocity	(fl/s)	Bit	Pressure D	rop (psi	) %P	@ bit (9	5)	Last Casing String		50.00 1.0
vlax Casing AV (filmis	7)	Max Open	Hole AV (ft/m	in) I	Vin Casin	g AV (ft/m	ian)	Міп Оре	n Ho <del>le</del>	AV (IVmin)	TFA	(incl Noz) (in²)	Casing Description	Run Date	Set Dopth (fiKB)
Drill String Con	ponent	6							/		!		intermediate:	11/7/2008	5,154.6
Bit Sub	n Descriptio	<b>5</b> 0	-i	Jta	1	OD (ii	n) 3 1/2	(D (in)	764	Len (ft)	3.05	Top Thread			
HWDP					42		3 1/2		764	1,293					
Survey Data MD (RKB)		Inci (*	)   A	zm (°)	Tanan -	TVD (	RKB)	ţ	VS	(ft)	D	.S ("/100ft)			
	,009.00		1.80	341.7	0	e acedinistical	3,91	8.47		2,805.38		5.46			
	,073.00		1.60 0.00	343.6 344.2				2.36 6.58		2,825.82 2,845.75		4.00 5.15			
	,104.00	3	8.60	344.3	0		3,99	0.57		2,864.44		4.52			
5	,160.00		6.07	344.4	8		4,03	5.09		2,896.73		4.52			
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#### Marion Energy, Inc. **Daily Drilling Report** Report Date: 11/11/2008 Report # 44.0 Contractor: Nabors Rig Number: 513 DFS: 41.0 Well Name: Oman 10-29 KB-Ground Distance (ff 43007312100000 Utah NWSE Sec 29, T13S, R7E 10/2/2008 25.00 Denth End (#KB) AFE Number Total AFE + Sup Amount 5,500.0 Operations at Report You Operations Next Report Period Dank Cost Total ion Cock to Date Work stuck pipe @ 5410 Un stick pipe, clean up hole and log well Daily Mud Cost Circ and try to dry up hole, Start Mist Drig, made 340' in 8 hrs. Rop.42.5, Circ. Short trip to shoe, @ report time Washing and reaming to btm. Depth Start (fiKB) Dooth End (ftKB) 5,160.0 5,500.0 Heneman. While Drilling, hole was loading up with water, after working thru: tight spots hole cleanned up, @ TD. hole acted clean, normal psi. no drag, Had to use air on first 2 Jts to get off birn. on short trip. After report time, @ 1:00 am, tagged @ 5349' on TIH. on short trip for logs, Picked up kelly started washing back to birn. unloading hole, @ 5410' hole fell in, (stuck pipe) no free spot, 800 # psi. Called for w! truck and fishermen @ 3:30 am. erget Formation Target Depth (ftKB) FERRON 5,356.0 Time Log Total Hor Problem Time Hours (hex) 24.00 Rig Repairs Mud Checks Ours Duration Depth (ftKB) PV Calc (cp) 0.00 Density (tu/gai /is (s/qt) YP Calc ((b//100ff²) Water Base REPAIR RIG 107.75 14:00 5,300.0 8.80 57 15,0 11.000 Gel (10a) (lb//100ft² Gel (10m) (lbl/100f 15.000 iel (30m) (fbl/100fP) Fits (mU/30) iller Cake (/32\*) Solids (%) Daily Contacts Job Contact 5.000 6.0 3.5 MBT (KVbbl) Chlorides (mg/l. Electric Stab (V) Jerry Thompson 435-448-9671 1,850.000 Chuck Redmon 405-596-4120 Time Log Stert Time En Paul Rico 405-326-3560 Frid Tim 00:00 02:00 2.00 2.00 Circ, try to blow hole dry, change over to mist @ 15 gals a min.water with 2200 cfm. 260 psi Mark Meyer **Mud Pumps** 02:00 02:30 0.50 2.50 Mist Drig. (46') 5160' to 5206' Wob.20k Rpm.60 , 3-comp, 1-bster, 2200 cfm.@ #1, Nat, 9P100 Pump Rating (hp) Roo 260 psi 02:30 03:00 0.50 3.00 Service ng 1.000.0 9.00 03:00 03:30 0.50 3.50 Mist Drig (31') 5206' to 5237' Wob.20k, Rpm.60, 3-comp, 1-bster, 2200 cfm.@ 260 psi Liner Sizo (in) 6 1/2 0.088 5.00 Wash & ream thru. tight spot @ 5206' Hole unloading water, psi up to 600#, 6.00 Mist Drlg.(65') 5237' to 5302' Wob.20k, Rpm.60, 3-comp, 1-bster, 2200 cfm. @ 03:30 05:00 1.50 Pres (pai) Strokes (sp. O (gpm) Teff (%) 05:00 06:00 1.00 400 psi #2, Nat, 9P100 Pump Rating (hp) Rod 06:00 12:30 6.50 12.50 Wash and ream, Work tight hole @ 5250' 1.000.0 15.00 Mist Drlg.( 95') 5302' to 5397' Wob.25k, Rpm.60, 3-Comp.1-bster, 2200 cfm. @ 12:30 15:00 2.50 Liner Stze (m) OR (DOVOUS) 400 psi 0.088 15:00 15:30 0.50 15.50 Work pipe for psi spike, plugged jet, (psi 500, came unplugged all @ once, 260 Pres (pei) Strokes (sp. (goos) 15:30 19:00 19,00 Mist Drlg.(103') 5397' to 5500' Wob.25k, Rpm.60, 3-comp 1-bster, 2200 cfm. @ 3.50 260psi **Mud Additive Amounts** Cost (friest) | Con-19:00 19:30 0.50 19.50 Blow hole dry for short trip to shoe ENGINEER SER 750.00 19:30 22:00 2.50 22.00 TOH on short trip to shoe, Had to use air to pump 2 Jts off btm. On TIH, taggged Last Casing String @ 5349 Set Depth (ft/KB) 22:00 00:00 24.00 Wash & ream 5349' to 5410' Intermediate 11/7/2008 5,154.0 Drill Strings BHA #11, Slick otal Avg ROP (... 6 6 1/8in, R22ap, MP5052 42.5 8HA ROP (ft/hr) 8.00 String Length (ft) String Wt (1000lbf) 1.296.21 Drilling Parameters Wellbore Depth Start (RKB) Depth End (ftKB) Cu Drilling Time (fus) Cum Drill Time (... Int ROP (ft/hr) Flow Rate (nom) Original Hote 5.160.0 8.00 5.500.0 340.00 8.00 WOB (1000lbf) PU Str Wt (100... Str Wt (100. SO SE WI (100... Off Blan To 25 260.0 85 105 Hydraulic Calculations Bit Hydraulic Power (hp) H Bit Pressure Oron (psi) % P @ bit /%.) Max Casing AV (R/min) Drill String Component Len (ft) 3.05 i0 (in) 2.764 Bit Sub 3 1/2 HWDP 42 1,293.16 2.764 Survey Data MO (NKB)

Incl (°) 41.80

41.60

40.00

38.60

36.07

5.009.00

5.041.00

5.073.00

5.104.00

5,160.00

Azm (\*) 341.70

343.60

344 20

344 30

344,48

3,918.47

3.942.36

3,966.58

3,990,57

4,035.09

2,805.38

2,825,82

2,845.75

2,864.44

2,896.73

5.46

4.00

5.15

4.52

4.52

#### Daily Drilling Report

Contractor: Nabors

Rig Number: 513

Report Date: 11/12/2006 Report # 45.6

	ll Name	: Om	ian 10-	29				7			UFS: 42,0	,
43007	3121000		86 <b>N</b> o.	State/ Utah	Province		Surface Legal		26 675		Spud Date	KB-Ground Distance (R)
	nd (RKB)	t		; Diai		Dopth Prog	NWSE Se	U 29, 11	33, K/E		10/2/2008	25.00
	, ,		5,500.0	1							AFE Number	Total AFE + Sup Amount
Slip at	ns at Repor	g line 35	60° ( cut	pass due)			Next Report Per ck pipe, Clea		ole for loos		Daily Cost Total	Cum Cost To Date
Operatio	ons Summer	y		410' stuck drill s							Daily Mud Cost	Mud Additive Cost To Date
and of	Jeni iz.o	HES. IO F	un free p	oint, Made back	off shot (	keu stoc ∰ 5062',	k pipe for 3 r . 92' up insid	າrs. Ca≀i e 7" cas	êd tree poin ina. TOH wi	t truck, Rigup th do to pick up	Depth Start (RKs)	Dopth End (fiKB)
2012 F	nu screw	in sub.				-				ar op to plot up	5,500.0	5,500.0
Kemark We an	e stuck @	bit. Pla	ns is to i	ar down with sm	all amoun	t of pei	mtil we one o	ant nei te	·		Target Formation FERRON	Terget Depth (ftK6) 5,356.0
gas.10	ry w sou	s, Lith.(c	rs recor 2 5500'9	ded Back ground 10%SS. 5% Coal	DAS 4(X)	- 1200) ini	ts Connice	× 1700.1	O DOD water	Dates Here	Time Log Total Hours (hrs 24.00	Problem Tane Hours (hrs)
- 14 1			· : : : <del></del>								Rig Repairs	Cum Duration
Mud C Typo	hecks	Time	<u> </u>	Depth (ftKB)	Density (lb/	(cpl)	Vis (s/qt)	TOV C			REPAIR RIG	(ms) (hrs) 0.00 107.75
Water			:00	5,500.0	8.8	30	715 (s/qt.) 57	PVC	alc (cp) 15.0	YP Calc (lbf/100ft*) 11.000		
	) (#51/100ff*) . <b>000</b>	1	(lb#100f(*) .000	Gel (30m) (lbl/100f/	Filtrate (mt.		ittor Cake (/32*)	рH	7.0	Solide (%)	Daily Contacts Job Contacts	Mobile
Ver) Terv		Percent C		Percent Water (%)	Chlorides (		CD - Manual Er	ib Calci	7.5 um (mg/L)	3.5 Electric Stab (V)	Jerry Thompson	435-448-9671
		ļ		L	1,850		9.42				Chuck Redmon Paul Rico	405-596-4120
Time I	.cg	,	ر مسیونت پین									405-326-3560
Shert Turne	End Time	Dur (hrs)	Cum Dur (hrs)				Comment	20 10 1			Rig Supervisor Mark Meyer	Phone Mobile
00:00	03.30	3.50	3.50	Working tight he	ole @ 540	9' on wa	shing & rear	ning to I	otm,			
03:30 08:30	08:30	5.00 1.50	1	Working stuck p	ipe @ 54	10' Hole	packed off,	can not	circ.		Mud Pumps #1, Nat, 9P100	
0:00	10:30	0.50		Remove bull plu Post job safety	ig moni ga neetina v	ose nec	k on swivel	k crow i	Licharman		Pump Rating (hp) Rod Die	
0:30	11:30	1.00	11.50	Rig up free poin	t truck	/				······	1,000.0 Linor Size (in)	9,00 Vol/Sik OR (bb/sib)
11:30	14;30	3.00	14.50	Run free point to from 4" to 2 1/2.	ools, ran to get to	free poir btm.	t tool 6 time:	s, makir	g ajustmeni	on bow sping	6 1/2 Pres (psi) Strokes (sp.	0.088
4:30	15:30	1.00	15,50	Ran 1 3/4 spud	bar tool,	Tag btm	@ 5407					
5:30 9:00	19:00	3.50 1.00	19.00	Ran Free point	ools , Tig	ht going	in, Free com	ing up			#2, Nat. 9P100 Pump Rating (hp) Rod Dia	
3.00	20.00	1.00	20.00	Free point show tools	\$ 100% S	tuck @ 5	6407' 60% @	5383' 8	k free @ 53!	57', TOH with	1,000.0	9.00
0:00	21:00	1.00	21.00	Re-build pop off	valve on	#1 pum	p. Pump 7bb	ls mud	in dp. for ba	ck off	Liner Size (in) 6 1/2	Vol/Sik OR (bbl/sik)
1:00 3:30	23:30	2.50	23.50	Ran in hole with	back off	shot, Bar	x off string (	@ <b>50</b> 62			Pres (psi) Strokes (ep	0.088 Q (gpm)   Eff (%)
3.30	00.00	0.50	24.00	TOH, to pick up	Jars and	screw-in	sub				<u> </u>	l
irill St				<u>ئىڭ رەپاقىلىكىكى</u>	پانچان شاند			<u> </u>			Mud Additive Amou	ints
it Run	11, Stick			<u> </u>	IADC BILD		TFA (incl N	loz) (i 1 T	olal Drill Mrs (h.	Total Avg ROP (	Description ENGINEER SER	750.00 1,0
6 ozales (i		R22ap,	MP5052				1		8.00	42.5	Last Casing String	100.00
Carrier (s							Length (ft) 1,296.21	String W	(1000lbr) 20	BHA ROP (fuhr) 42.5	Casing Description Ru	an Date Set Depth (ftKfs)
rilling	Parame	ters	PAVIAL I	e inger			T			<u> </u>	Intermediate 1	1/7/2008 5,154.0
)rigina	Hole	5,500.0		End (ftKB) Cum De	oth (ft) D	miling Time	(hrs) Cum Drill 8.0	Time ( u	nt ROP (ff/hr)	Flow Rate (gpm)		
OB (100		M (rpm)	SPP (	psl) Drift Str	Wt (160 P		00 SO Str W		Onling Torque	Off Birn Tq		
25		60		260.0	35	105	75	5 L		فينا المسأد		
	i <b>fic Calc</b> u ilic Power (h		'/Area (hp/i	n²) Bit J	at Velocity (f	Vs)	64 Pressure D	Imn (nei)	%Р <b>@</b> б	Tay's	1	
ex Cour	ng AV (ft/min	,—l.,	Man Comm.									1
DA COMPU	·8 vs (mus)	"	www.upeni	HDIG AV (IVININ)	Min Casing /	AV (fl/min)	Min Op	en Hole A	/ (fl/min)	TFA (ind Noz) (in*)	i	š.
rill St	ring Con	ponent	В.			· · · · · · · · · · · · · · · · · · ·		* * * * * * * * * * * * * * * * * * *				
it Sub	Men.	n Description	an	.Hs	1	00 (in) 3 °	1D (m	2.764	Len (ft) 3.05	Top Thread	!	
WDP					42	3 1	• 40	704	1,293.16	dense		
niveA	Data MD (fikB)		Incl (*)				e transmission of the contract				1	
		00.00		Azm (*) 1.80 341.7		TVD (fixe	) 3,918.47	VS (f	,805.38	DLS (°/(004) 5.46		
		041.00		1.60 343.6	0		3,942.36		825.82	4.00		
		073.00 104.00		344.2 3.60 344.2			3,966.58	2	845.75	5.15		
		160.00		3.60 344.3 3.07 344.4			3,990.57 <sub>}</sub> 4,035.09]		,864.44 ,896.73	4.52		
	··· · · · · ·					· •	·,********		,020.73!	4,52		
										-	i	
										4.5		A.
										į		4
												;
												i i

#### **Daily Drilling Report**

Contractor: Nabors

Rig Number: 513

Report Date: 11/13/2008 Report # 46.9 DFS: 43.6

	ii Name	: Om	an 10-	.29								DFG. 43	1.0	
43007	3121000	00 Licens	se No.		State/Province Utah		Sur NV	lana Legal Loc VSE Sec 2	etion 9, T13S	5, R7E		Spud Date 10/2/2008	KH	-Ground Distance (f 25.00)
Depth E	nd (RKB)					Depth Pr						AFE Number	Cotel	AFE + Sup Amount
Operation	ans at Repor	1 marrow	5,500.0	)		_ i			0.00				1,000	rv E · Oop Annani
			o auili a	n on kelly				Report Period	tuin to a	<b></b>	1	Daily Cost Total	Сига	Cost In Date
.Operatio	me Summan	y						Then short				Daily Mud Cost	18667	Additive Cost To Date
Run b drilling Remarks	I Jane I III	iot, TOH, I.	Slip an	d cut drig lin	e, TIH with	screw in	assy. ,	Jar pipe fre	e, TOH	, change o	out bit pick up	Depth Start (ftKB)	1	End (ftK::
		2 made :	340' in 8	hrs. Graded	out EC/ he	n locked	un nar	and in ana	o. Oo ol			5,500.0 Target Formation		5,500.0
UCKA .	מוני ימוני	un. Dring	I SW OUT	ine and four to tighten a	ia auili birt s	ub botwa	en swi	ivel and ke	lly back	ed off, Tig	hten it by hand	FERRON Time Log Total Hours (	1	ot Depth (fik.8) 5,356.0 em Time Hours (firs)
Mud C	hecks							·			7764455477	24.00		
Type	***************************************	Tanye.		Depth (ftKB)	Donsity	(lb/gal)	Vis (8/	qt)	PV Catc	(cp)	YP Calc (lb//100m²)	Rig Repairs		Cum Duratur
Water			:00	5,500.0		8.70	1	30	] .	5.0	2.000		Dur (hrs.)	(first)
1.	, (1000 (100) 1000	Ger (TUM)	(яжлион- 100	Gel (30m) (fbf/		(mL/30min) 6.0	Filter	ake (/32*) 1	рH		Solids (%)	REPAIR RIG	0.0	00 107.7
МВТ (Ны	hbl)	Percent O		Percent Water		s (mg/l.)	eco.		Calcium	7.5	2.5 Electric Stab (V)	Daily Contacts		14 4 3
		1 .,		i	1,8	50.000	j	9.03				Job Contact		Mobile
Time i	.00		7 . H2									Jerry Thompson Chuck Redmon		435-448-9671
Start			Cum Dur		البراد المناب المناب	بالمار والما المساح				ب خنین		Paul Rico		405-598-4120 405-328-3560
00:00	End Time 03:00	Dur (hrs) 3.00	(hts)	TOU to ale				Comment				[ <del>}</del>	·	
03:00	07:00	4.00		TOH, to pic Slip and cu			M SUD					Rig Supervisor Mark Meyer	į.	Phone Mobile
07:00	11:00	4.00		Pick up scr								IVIGIA WASYER		-:
11:00	13:00	2.00	13.00	Pick up 18.	Its dp. off ra	ick to mat	ke up t	for the first	3 stand	out of hol	e ( bent and	Mud Pumpe #1, Nat, 9P100	عطائي إثث	
13:00	14:00	1.00	14.00	Screw in to					Ok over			Pump Rating (hp) Rod	Dramater (a	
14:00	21:00	7.00	21.00	TOH. with f	ish	11001 ( 00	tung y	ara pri (Qg C	OK OVE			1,000.0 Liner Size (in)	istantia.	9.00 k OR (bb/stk)
21:00	00:00	3.00	24.00	Change ou	t bit, Pick up	4 3/4 dri	illing ja	irs.and TIH	i,			6 1/2	1	0.088
Drill S	trinne				Taranta da							Pres (psl) Strokes (s	p. Q (gon	n) Eff (%)
	12. Slick			سسسائش بعداء فالرسخ					حسنار		جهر حافستان سركاك	<u> </u>		
Bit Run	Drift Bit	·			IADC B	R DAR		TFA (incl Noz	) (i (Tota	Drill Hrs (h	Total Avg ROP (	#2, Nat, 9P100 Pump Reling (hp) Rod	Olametor (ii	n) Otroba nes
7 Yardas (		SL53AP	, CL410	8			1		1		)	1,000.0	mannetist (a	9.00
amster (	/az-}					Stri	ng Leng 1,31		ring Wt (1		BHA ROP (IVIII)	Liner Size (in)	Vol/Stk	k OR (bibl/sik)
Drilling	Parame	ders				. <del></del> -	1,31	0.40		33	1	6 1/2 Pres (psi) Strokes (s	1	0.088
Vellbore	De	opth Start (f		h End (NKB) C	um Depth (ft)	Drilling Tir	ne (hrs)	Cum Drill Tim	ie ( Int F	ROP (ft/hr)	Flow Rate (gpm)	Pres (psi) Strokes (s	p U (gpn	n) Elf (%.)
Origina NOB (10		5,500.0		5,500.0	70.79 L M. 180	0.0	0	i	- 1		0	Tanana da Istalia.		·
2		°М (прт) 60	SPP	(psi) (0. 260.0	18 Str Wt (100 85	PU Sir Wi		50 Str Wt (16	100 ionii	ing Tarque	Off Blm Tq	Mud Additive Am		st (/unit)   Consumer
Hydrau	ilic Calci	lations					,	A	<del></del>			ENGINEER SER.	7	750.00 1.0
3it Hydrau	ulic Power (t	ip) HF	P/Area (hp	lin²)	Bit Jet Voloci	y (N/s)	Bit	Pressure Drog	o (pei)	% P @ bit	(%)	Last Casing Strin		
Aux Casti	ng AV (fVrnir	1)	Мах Ореп	Hole AV (Nmin	Min Casi	ng AV (ft/mir	3)	Min Open	Halo AV (f	t⁄m⊪n) T	FA (incl Noz) (in²)	Casing Description Intermediate	Run Date 11/7/200	Sel Depth (fixis) 6 5,154.0
Drill St	ring Con	ponent	8					-1 -7-5				1		
3it Sub	Hor	n Descriptio	20		Jis	QD (in		1D (in)		Len (fl)	Top Thread	1		
-WDP					1		3 1/2	2.7		3.05	3.			
	Jars - Me	chanical			36		3 1/2 3 1/2	2.0		1,105.20		1		
WDP					6		3 1/2	2.7 2.0		25.50	Acres a services and the services of			
Survey	Data				• · · · · · · · · · · · · · · ·		. 1141	2.0		184.20	i	1		
	MD (fike)	A66	inei (*	Azn	and the contract of the contract of	TVD (fi			VS (ft)		DLS (*/100m)	1		
		009.00			341.70		,	8.47	2,8	05.38	5.46			
		041.00			343.60		3,94			25.82	4.00	:		
		104.00			344.20 344.30			6.58		45.75	5.15			
		160.00		_ /	344.48			0.57 <sub> </sub> 5.09		84.44	4.52	1		
							÷,03	J.U5)	2,8	96.73	4.52			
											4			
											ì	ŧ.		

#### **Daily Drilling Report**

Contractor: Nabors

Rig Number: 513

Report Date: 11/14/2006 Report # 47.0 DFS: 44.0

PI/UWI 14.3-007	Name: -31210	i.icense	n 10-2 No.	51	ate/Province tain		Surface	Legal Localid E Sec 29,	T13S, R7E	<u></u>		Spud Date 10/2/2008	KB-Ground Distance (II) 25.00
epth End						Depth Pro	andar .					AFE Number	Total AFE + Sup Amount
			5,500.0						0.03			Delly Cost Total	Curp Cost to Dak
	at Report hoe while			nr's		TIH on		ort Period It run, L.Ay	dn, string,	Nipple -	dn. BOP,to	Daily Mud Cost	Mud Additive Cost To Onto
						release	ng.					10.5	
FIH, Rig	Summary prepair 3 Log we		k on sw	ivel, Wash	& ream 120'	to btm, (	Circ, TO	H for logs,	Held safe	ty meeti	ng with	Depth Start (flKB) 5,500.0	Depth End (RKR) 5,500.0 Targel Depth (RKR)
omorke									T		- Found	Target Formation FERRON	5,356.0
	Jt. of ca inning ca			w 7" casing t ith bad Jts. ' or shows BG								Time Log Total Hours (for 24.50 Rig Repairs	s) Problem Time Hours (hrs)
					<del></del>							Code 2 0	Com Constant or (lws) (ins)
Mud Cl	recks	Pal 1	2.2.2		يغمى المري ساسا	م میرسون	1000 1200		V Calc (cp)	Ve	Calc (tbf/100ft*)	REPAIR RIG	4.00 111.75
ype	3000	Time 14:	nn	Depth (RKB) 5,500.0	Density (	15/gat) i.70	Vie (s/qt)	30	5.0	11	2.000	Daily Contacts	
Water E	)850 (6)(100R)	Gel (10m)	(958/100R²)	Gel (30m) (9bl/1			Fatter Cal	o (/37°)	н	Sol	lids (%)	Job Contact	Mobile
1.0	000	1.0	00		1 4	6.0	t .	1	7.5		2.5	Jerry Thompson	435-448-9671
divali) Teim	bil)	Percent O	(%)	Percent Water				enual Entr 0 .03	Calcium (mg/l	.) 1296	ectric Stato (V)	Chuck Redmon	405-596-4120
		1	<del>,</del>	1.,	1,8	50.000	.l	,,				Paul Rico	405-326-3560
Time L	og			د. داداده سستستمینیس	<u> </u>	4.44		منشر نست	بتنشث بريي	معادما المتشيد		Rig Supervisor	Phone Mobile
Start	Fort Time	Dur (firs)	Cum Dur (hrs)			ia e sprije E e ori	Co	mment		4.45		Mark Meyer	
00:00	03:30	3.50	3.50	TiH on clea	in out run fo	r logs						Mud Pumps	
03:30	06.30	3,00	6.50	Re-tighten	and torque	quill pin c	n swive	i, ( backed	out on co	nnection	n twice.)	# 1. Nat. 9P100	The second secon
06:30	07:30	1.00	7.50	Pick up kel	y @ 5430'	Hole tryii	ng to pa	ck off	. ,			Pump Rating (hp) Rod [	Siameter (in) Stroke (in) 9 00
07:30	08:30	1.00	8.50	Weld nipple	on stand p	ipe( leak	ing)				000 - 000	1,000.0 Liner Size (in)	Vol/5tk OR (Ub/etk)
08:30	14:30	6.00	14.50	Wash and psi	ream 5290'	to 5500,	Hole try	ring to pac	koff,airp	si, up tro	om 260 to 800	6 1/2	880.0
14:30	15:00	0.50	15.00	Circ on btm	n blow hole	clean , S	tring wt.	85k, pu.13	35k, so.60	k		Pres (psi) Strokes (s	p. () (gpm) IEM (%)
15:00	18:30	3.50	18.50	Short trip to	shoe, Purr	ped 120	off btm	. with air (	steady dra	ıg)		#2, Nat, 9P100	
18:30	22:00	3.50		TOH for log								Pump Rating (hp) Rod	Diameter (in) Stroke (in)
22:00	23:30	1.50	23.50	Waiting We	eatherford I	ogging tr	uck					1,000.0	9.00
23:30	00:00	0.50	24.00	Safety med	eting with rig	crew an	d loggin	ð crew		S F6700		Liner Size (in)	Vol/Sik OR (bbVsik) 0.088
00:00	00:30	0.50	24.50	Log well w	th weatherf	ord Afte	er report	time Logg	ers Tag (	g 5213'		6 1/2 Pres (pai) Strokes (s	0.088 apQ (gpm) Eff (%)
Drill S	trinna		1	er in the contract of	de la file	time for	-4 	***	er e e e e e e e e e e e e e e e e e e			, (p)	
	12. She	k.	<del>منیانید. دینی بی</del> د د اد								TWO STATES HART	Married Ministration of the	onimie .
Bit Run	Oral Bit			00	IADC	Bit Duit	17	FA (incl Noz)	(i Total Di	n Hrs (h	Total Avg ROP (	Mud Additive Am Description	Cost (/unit) Consume
7 Nozzles		, SL53A	P. CL41	US	L	ls:	tring Lengt	h (fi) Si	nng VVI (1000	Df)	BHA ROP (ft/hr)	ENGINEER SER.	750.00 1.
140,22305	yaz j						1,318		33		1	Last Casing Strin	10
Drittin	g Paran	neters						ok kronen	m y man 899	TO ALL	Flow Rate (gpm)	Casing Description	Run Date   Set Depth (fix)
Wellbor	,	Depth Start	(face) De	5,500.0	Cum Depth (R)		(wut) simil ,00	Cum Drill Tin	se (] ent ROI	- (suns)	(dbw)	Intermediate	11/7/2008 5,113.0
Origin Wos (1	al Hole	5,500 RPM (rpm)		5,500.0 P (pši)	Drift Str Wt (100	L. PUSIT	NE (100	SO Str Wt (1	OD Drilling	Torque	Off Blon Tq	1.	
	25	60		260.0	85		05	75				.ll	
Hydra Bir Hydr	rulic Cal	culation	S HP/Area (t	χρ <b>/ε</b> π <sup>‡</sup> )	Bit Jet Velo	city (ft/s)	j Bit	Pressure Dro	p (pel)	% P @ 68	1 (%)	4.	
1	eing AV (fili	i		en Hole AV (fi/m	in) Min Co	eing AV (flu	min)	Min Open	Hole AV (fvn	in) T	FFA (incl Noz) (in²)	-	
wax Ca	ang AV (II)	mar <i>)</i>	must C/DI	or cardo te A fritta	,							1.5	
Dritt 8	String Co	ompone	nto		Name and Vision		Gay	ND (in)	7 10	n (ft)	Top Thread	· .	
Bit Su		tem Descri	piton		Jas	OD.	3 1/2		764	3.05		11	
HWD					36	· Ł	3 1/2			,105.20	interpretational and the same and the	역 () - ()	
i		Mechani	cal			11	3 1/2	2.	764	25.50	mala and a contract of the con	· . 	
			·			5	3 1/2	2.	063	184.20	5	1	
HWD	y Data						(RKB)		VS (ft)		DLS (*/100ft)	£[	
HWD			n boo	±(°) / 41.80	341.70	TVE		18.47		5.38	5.4	8	
HWD	MD (fix			+1,00°	J-11.FV			12.36			4.0	no i	
HWD	MD (BK	5,009.0			343.60		3,94	14.00:	2,94	5.82	4.0	U <sub>1,2</sub>	
HWD	MD (BK	5,041.0	0	41.60	343.60 344.20					5.75	5.1	1.1	
HWD	MD (fix	5,041.0 5,073.0	0	41.60 40.00	344.20		3.96	66.58 90.57	2,84	- 1	5.1 4.5	5 2	
HWD	MO (fix	5,041.0	0 0	41.60			3,96 3,99	66.58	2,84 2,86	5.75	5.1	5 2	

#### Marion Energy, Inc. **Daily Drilling Report** Report Date: 11/15/2008 Report # 48.5 Contractor: Nabors Rig Number: 513 DFS: 45.9 Well Name: Oman 10-29 Surface Legal Location KB-Ground Distance (t) 043-007-31210 Utah NWSE Sec 29, T13S, R7E 10/2/2008 Depth End (ftKB) AFE Number Total AFE + Sup Amount 5,500.0 Operations at Report Time Daily Cost Yotal Cum Cost To Date Washing & reaming to btm. @ 5460 Wash to btm. and drig 125 Daily Mud Cost Mud Additive Cost To Date Log well , TIH, Wash & ream to 5460', Circ, TOH to shoe for lay dn., Received order's to deeping well to 5625' ( 125') Set @ shoe and cond mud in steel pits before loading hole, Depth Start (ftKB) looth Fnd (mcB) 5,500.0 5,500.0 Operation @ 6:00am rearning tight spot @ 5460', Mud Wt, 8.7, Vis 55, WL. 6.4,( Not loosing any mud to hole.) Target Formation FERRON 5 356 0 Mud Checks Time Log Total H Time Hours (hrk.) Death (fixe) YP Calc (101/100ff\*) 24.00 Water Base 14:00 5,500.0 8.70 55 33.000 Rig Repairs Gel (10s) (8xf/100ft<sup>2</sup>) Get (10n) (b)/1000 ide (%) 1.000 1.000 Dur (fire) 0.00 6.4 MOT (WAND) akium (mg/L) Stactric Stab (V) REPAIR RIG 1,850,000 9.03 Daily Contacts Job Cons Time Log Cum Du (hrs) Jerry Thompson 435-448-9671 Ford Time 6.00 Log well (tri-comb) Array Induction log, compensated photo density, compensated dual neutron log, Logger's tagged @ 5213' (Pulling 2500 over to Chuck Redmon 00.00 06:00 405-596-4120 6.00 Paul Rico 405-326-3560 get back out of light spot.) Rig Supervisor 10.50 TiH on clean out run before laying drill string 06:00 10:30 4.50 Mark Mever 15.00 Wash & ream to birm on air , 5380' to 5460', Hole packing off spiking air psi from 10:30 15:00 **Mud Pumps** 300 to 900# trying to stick pipe. # 1, Nat, 9P100 Fump Rating (tip) Rod 15:00 15:30 0.50 15.50 Blow hole and work pipe 15:30 | 17:00 1.50 17.00 TOH to shoe, Change out rot rubber on rot head 24.00 Received order's to deeping well by 125', New TD 5625' Switching over to mud 17:00 00:00 USB OR (bbl/sts.) Linor Size (in) system, Cond mud in steel pits before loading hole. 6 1/2 880.0 Pros (nei) Dritt Strings 850.0 86 302 BHA #12, Slick Bit Run Drill Bir 7 6 1/8in, # 2, Nat, 9P100 Pump Rating (hp) |Rod ADC Bit Dut TFA (incl Noz) (i... Total Drill Hes (h... Total Ave ROP 6 1/8in, SL53AP, CL4108 1.000.0 String Length (ft) OR (bb/les) Liner Stze (in) 1,318.45 33 6 1/2 0.088 Drilling Parameters Westoore Depth Start (ftKB) Depth End (ftKB) Cum Depth (ft) Drilling Time (hre) Cum Drill Time (... Int ROP (ft/hr) WOB (1000lbf) tPM (rpm) Orth Str Wt (100... PU Str Wt (100... SO Str Wt (100... Drilling To SPP (pai) **Mud Additive Amounts** 25 60 260.0 105 75 ENGINEER SER. 750.00 Hydraulic Calculations Bit Hydraulic Power (hp) HP/A Last Casing String Bit Pressure Drop (psi) Max Casing AV (ft/min) Intermediate Max Open Hole AV (R/min) 11/7/2008 5.113.0 **Drill String Components** Len (N) Bit Sub (in) 2.764 3.05 HWDP 1,105.20 3 1/2 2 063 Drilling Jars - Mechanical 3 1/2 2.764 25.50 HWOP 2.063 3 1/2 184 20 Survey Data MD (fixe) (°) 41.80 m(°) 341.70 /6 (ti) 2.805.38 5,009.00 3,918.47 5.46 5,041.00 41.60 343.60 3,942.36 2.825.82 4.00 5.073.00 40.00 344.20 3,966.58 2.845.76 5 15 5.104.00 38.60 344.30 3,990.57 2,864.44 4.52

4,035.09

2,896.73

4.52

5.160.00

36.07

344.48

25.00

111.75

9.06

95

9.00

Eff (%)

#### **Daily Drilling Report**

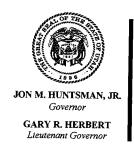
Contractor: Nabors

Rig Number: 513

Report Date: 11/16/200% Report # 49.8 DFS: 46.#

APIAJW	i Manne		an ru-										
	, 37-31210	Licens	e No.	Utah	Province			SE Sec 2		. R7E		Spud Date 10/2/2008	KB-Ground Distance (4 25.04)
Depth E	nd (fiKB)					Depth Prog						AFE Number	Total AFE + Sup Amount
			5,509.0			j			9.00			, , , , , , , , , , , , , , , , , , , ,	Troum AITE + Outp Aniektin
	ns at Repoi q dn. LD		to start	N-dn. bop				port Period		and dean	pits, Release	Daily Cost Total	Cum Cost to Date:
	ns Summer					rig	OL	<b>P</b> 110		enia cican	pito, resease	Delly Mud Cost	Mud Adritive Cost To Dat
Cond	mud, Loe	id hole, w	ash & re	am to btm. Drig	9՝ , թևց	ged bit, T	OH to	shoe cha	ase bit.	Orded to s	shut da drillina	Depth Starr (ftx.s)	Depth End (fixe)
Rig up	nor lay d	n. Layed	dn. drift	string.							arat arr. arasing ;	5,500.0	5,509.0
Remarks After lo		nia we trin	ned had	k to btm. and w	orked the	ru tiaht a	nat @	E460: UA	do order	lataan De	de (2) h - 1 -	Target Formation FERRON	Tanget Depth (ftKB) 5,356.0
: packee	vold tto t	ving nail v ade to sh	vhich pk	looed bit. After i	olugging i	bit there	was to	much pa	i to brin	g air on lin	e with the mud,		s) Problem Time Hours (furs
Mud C	hecks											Rig Repairs	- Cum Duratics
Type		Time		Depth (ftKB)	Density (It		Vis (e/qt)	1	PV Calc	(cp)	YP Calc (lbf/100(t²)		ur (fers)   Oers
Water Gel (10s	Base (6//100%)	14: Get (10m)		5,509.0 Gel (30m) (lbf/1000*	8.	70		55	 		33.000	REPAIR RIG	1.00 112.7
1.	000	1.0		Our (sour) (un rum)		.4	Filter Cal	1	pH	7.5	Solida (%) 2.5	Daily Contacts	
MBT (Ib/	bbt)	Percent Oi	(%)	Percent Water (%)	Chlorides			anual Entr.	Caksum	(ing/L)	Electric Stab (V)	Jerry Thompson	Modelle 435-448-9671
	<del></del>	<u></u>			1,856	0.000	9	.03	<u>L.,,</u>	فسرت بنواجه		Chuck Redmon	405-596-4120
Time t	-og					<u> </u>					<u>. 1249</u>	Paul Rico	405-326-3560
Time	End Time	Dur (hrs)	Curn Dan (Ins.)				Cox	minent		100		Rig Supervisor	Phone Motals
00:00	02:00	2.00		Cond mud in st								Mark Meyer	
02:00	03:30	1.50		Load hole from								Mud Pumps	
07:00	09:30	3.50 2.50		TiH to drig 125 Wash & ream f				hole to 5	625'			#1, Nat, 9P100	
09:30	10:00	0.50		Drig (9') 5500' t				1 Gom 2	nan.			Pump Rating (hp) Rod Of	
10:00	11:30	1.50	11.50	Work tight hole Jarred free , ma	Hole pa	cked off	while d	rilling, Bl	owed po	op off nail	and stuck pipe,	1,000.0    Ciner Size (in)   6 1/2	9.00 Vol/Sik OR (bbl/sife) 0.088
11:30	12:00	0.50	12.00	TOH to shoe fo								Pres (per) Strokes (sp.	
12:00	13:00	1.00	13.00	Pick up kelly &	and try to	clear bit				<u> </u>		800.0 86	302 95
13:00	14:00	1.00		Work on air line								#2, Nat, 9P100	
14:00 14:30	14:30	0.50		Ser. rig & blow								Pump Rating (hp) Hod Di 1,000.0	9.00
16:30	17:00	2.00 0.50		Lay dn. DP out P.J.S.M with rig					D. mac	hine		Liner Size (in)	Vol/Stk OR (bbl/stk)
17:00	18:00	1.00		Rig up LD. mac								6 1/2 Pres (psi) Strokes (sp.	0.088
18:00	00:00	6.00	24.00	Lay dn. OP.								in tes (par) sucres (ap.	Q (gpm) Eff (%)
Drill S	rings					- 1						Mud Additive Amo	unis
BHA#	12, Slick	(				937 Janes Sala						Description	Cost (/unit) Consume
7		SL53AP	CI 410	3	IADC Bit	Du# 2-1-no-TD		A (Incl No.	) (i  Tota	0.50 Drill Hrs (h.	Total Avg ROP (	TORK BUSTER	65.76 17.0
Nozelos (		·			, 2-2-10-6		g Longth	(ft) S	tring Wit (1		BHA ROP (M/v)	SUPER GEL	253.6
Fr 214 V	<b>-</b>					. 1	1,318.	45		33	18.0	PALLETS	5.0
Megpore	Pareme O	epth Start (R	KB) Depti	End (RKB) Cum D	with (fit	Drilling Time	o (bres)	um Delli Tie	oo ( - line i	000 mag	B. B. Frank	SHINK WRAP	5.0
Origina	l Hole	5,500.0	5	,509.0	.00	0.50	) ]	0.50		18.0	Flow Rate (gpm)	ENGINEER SER.	1.0
woe (10 2		PM (rpm) 60	SPP	'		PU Str Wt (		OStr Wt (1	00 Dvij	ing Torque	Off Blim Tq	PAC LV CALCIUM	17.0
			<u> </u>	800.0	85	105					.i.,	CARBONAT	77
Bil Hydrai	ulic Cale ulic Power (	<b>UIB¥KOKS</b> HP} HP	/Area (hp/	n²) (5it	let Vetocity	(fVs)	Bit Pr	essure Dro	o (osi)	% P @ N	1/96)	Last Casing String	
Max Casi	ng AV (ft/mi	n)	lax Open	Hole AV (fi/min)	_	AV (fi/min)	i	Min Open			FFA (incl Noz) (in²)	Casing Description R	un Date Set Depth (MKB) 11/7/2008 5,113.0
Drill St	ring Cor	nponente		***************************************	vara gres.			<u>.</u>		······································			
Bit Sub	ite.	m Descripto	n	, As		OO (In)		tO (fn)	. 1	Lan (ft)	Top Thread	S.	
HWDP					1		1/2	0.00	64	3.05			
	Jars - M	echanical			36 1		1/2		64	1,105.20			
HWDP					6		1/2		63	25.50 184.20			
Survey	Data						4				(		•
	MD (fixis)	00.00	Inci (*	Azm (*) 1.80 341.	70	TVD (fik	6) 3,918,	47	VS (ft)	06 ac	OLS (*/100A)	Ì	
		.041.00		1.60 343.			3,942.			05.38 25.82	5.46		
		073.00		0.00 344.	1		3,966.			45.75	4.00 5.15	1	
		,104.00		344.			3,990.	7		64.44	4.52		
	5	,160.00	3	6.07 344.	18		4,035.			96.73	4.52	i	

Marion En	ergy, Inc.	,			i	Daily	Drillir	ng i	Report		Report I			2008
			Contra	actor	: Nab	ors	Ri	g N	umber: 5	13	Report #			
Well Name	e: Oman	10-29									D. G. 4.			
API/OWI	License N	S	State/Pro	OVINCE			ace Legal Lo				Spud Date	K	B-Ground	Distance 42
043-007-31210	) !	· - · · · · · · · · · · · · · · · · · ·	Utah			NW.	VSE Sec 2	9, T	13S, R7E		10/2/2008		25	.00
Depth End (RKB)					Depth Pr	rogress (f	1)				AFE Number	Tota	AFE + S	ир Алкинії
Operations at Repo		09.0			Control	we Mare C	Report Period		.00		· ·			
Rigging dn. far									leasing rental	i amii	Daily Cost Total	Cum	Cost To	Date
Operations Summa	Ŋ									· - · · ·	Deily Mud Cost	Mud	Additive (	lost To Date
Lay dn. DP&H\ 11/17/08 Dies	NDP, Nipple el reading @	dn. and install end of well 46	l well hed 5" Fuel o	ad cap n hand	Jet & 4302 g	clean s als.	teel pits, f	₹ig R	eleased @ 1	1:00 pm	Depth Start (RKB)		th End (Re	
Remerks											5,509.0	ſ	5,50	9.0
3 1/2 DP, was	over/under to	1 008 ), beupro	ip. draw	works \	with low	low g	ear) Had	to ha	ve welder he	at connection	Target Formation	Targ	et Depth (	
on 9 Jts, to get gave a copy to	toolousher	io to cut z. pin	S OII DOX	оп гау	an, ins	spection	n report w	ilt SPi	ow diff reason	i for this? Will	FERRON Time Log Total Hours	i Karangan	5.35	
37.0 tr 40p) 10						Note that are the second					24.00	ine) (Proc	HORT THIS	HOURS (INS)
Mud Checks	200	100								Tyrusan sair	Rig Repairs			
Тура	Time	Depth (ftK£	i) Te	Jensity (#	b/gal)	Vis (s/c	qt)	PV	Calic (cp)	YP Calc (lof/100ff)	Will Keballa	-	Cu	m Duration
		<u> </u>						-			Code 2	Dur (fyrs)		(hrs)
Gel (10s) (lbf/100ft*)	Get (10m) (lbf/	100ft²) Gel (30m) (	16(/100ft <sup>*</sup> ) F	ittale (m	1L/30mln)	Filter C	ake (/32*)	рH		Solids (%)	REPAIR RIG	0.	.00	112.7
MRT (Ib/bbl)	Purcent Oil (%	Percent We	10/196	hicrides	Towns 1	eco.	Manual Four	ten	mi vilore · Ì	Electric Stab (V)	Daily Contacts			
		, , , , , , , , , , , , , , , , , , ,		*********	(mg/c)	1	manus ring	. CHAR	KHIT (INGIL)	ENGRACE STREET (A)	Job Contact		) N	Sobile:
	<del></del>		-				77		فيساء بردادة واستوسا	·	Jerry Thompson		435-44	8-9671
Time Log Start	<u></u>		<u> </u>		n name and a second	والمستنبعة والمستنب				<u>. 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 </u>	Chuck Redmon		405-59	6-4120
Time End Time		m Our hra)		ž.,			omment				Paul Rico		405-32	6-3560
00:00 06:00		6.00 Lay dn. I	NH & PC	OP. br	reak kel				MEMOREN STORY		Rig Supervisor		Phone M	obite
06:00 18:00	12.00 1	8.00 Nipple d	n.BOP 8	install	well he	ad cap	)				Mark Meyer			
18:00 23:00	5.00 2	3.00 Jet and	clean ste	el pits.	Rig rela	eased (	@ 11:00 p	m 11	/17/08		1100° K.A.			
23:00   00:00	1.00 2	4.00 Rig dn.									Mud Pumps			
Post Carrie	Jackson II.										# 1, Net, 9P100 Fump Rating (hp) Root	Diameter	(in) Street	e dies
Drill Strings							Carpenna a contract	daren er -	أيستحسن عمس		1,000.0		(	9.00
Bit Run Drift Bit				ADC Bit	Dull		TEA (met No:	7.6	Total Onli Hos (b.	Total Avg ROP (	Liner Size (in)	Volts	SIK OR (b)	Velk,
			- !			4				Total Angli (Or (	6 1/2	· · · · · · · · · · · · · · · · · · ·	0.0	
Nozziec (/32*)					54	ning Leng	th (ft) 5	String V	Vt (1000/6f)	BHA ROP (ft/hz)	Pres (psi) Strokes (	вр (C) (gg	pm) )	e# (%)
										L	A A 31-4 GD480			
Drilling Param	oters	THE PLANE AND PROPERTY.			VETTE				er engelige in a room (A)		# 2, Nat, 9P100 Pump Rating (hp)  Rod	Diameter	(m) Strok	a fato
TTGHANE	Selbus Select (LEVR)	Depth End (ftKB)	Cum Dep	en (tt)	Dodling T	ime (hrs)	Cum Drill Ti	mo (	Int ROP (ft/hr)	Flow Rate (gpm)	1,000.0		1	9.00
WOB (1000mbf)	RPM (rpm)	SPP (pel)	Unit Str W	A (100	fu sir w	A (100	SO Str Wt (	100	Onling Tarque	Off Blan To	ILiner Size (in)	Vol/S	ak OF (No	
						(			- Commission	On But 14	6 1/2		0.0	
Hydraulie Calc	····				·		<u> </u>		č		Pres (psi) Strokes (	sp () (p	om) (	EN (%)-
Rit Hydraulic Power		ea (hp/m³)	Bit Jo	l Velocity	(ft/s)	- Ba	Pressure Dro	ap (psi	% F@ b	H (%)	1		"	
	į			-		i		-			Mud Additive An	tounts		
Max Casing AV (ft/m	Mn) Max	Open Hole AV (#/	min) V	in Cash	g AV (ft/m	im)	Min Oper	i Hoke	AV (ft/mm)	TFA (incl Noz) (in*)	Description	G	Ost (Aunit)	Consuma
														<u></u>
Drill String Co	mponents on Decamplica	توسيست المسادعة		سولا مساح	التوسير والمراجع والماسات	·			i		Last Casing Stri	363		
	ess rideratines	·	Jta		OD (4	n)	KD (in)		Len (ft)	Top Thread	Casing Description	Run Dete		epër (fiKB)
Survey Data		L		<u>}</u>		L				<u></u>	Intermediate	11/7/20	008 - 5	,113.6
MD (RKB	)	Incl (*)	Azm (*)		1V0 (	nkB)		V9	(h)	DLS (*/100k)	· . :			
	5,009.00	41.80	341.70	5	· · · · · · · · · · · · · · · · · · ·		8.47		2,805.38	5.46	i:			
:	5,041.00	41.60	343.60	);			2.36		2.825.82	4.00				
1	5,073.00	40.00	344.20	)			6.58		2,845.75	5.15				
	5,104.00	38.60	344.30	)		3,99	0.57		2,864.44	4.52				
	5,160.00	36.07	344.48	3		4.03	5.09		2,896.73	4.52				



# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 9, 2010

Certified Mail No.: 7004 1160 0003 0190 4789

43 007 31210

Oman 10-29 135 7E 29

#### **DIVISION ORDER**

Marion Energy, Inc. 119 South Tennessee, Suite 200 McKinney, Texas 75069 Attn: Mr. Keri Clark

Subject: Bonding for Individual Wells

Dear Mr. Clark:

As of the date of this Order Marion Energy Inc. (Marion) has not satisfactorily demonstrated Marion's financial ability to meet Utah Code §40-6-5(f) and Oil and Gas Conservation General Rule (R649-3-6) requirements for state-wide bonding as requested in the Division of Oil, Gas and Mining (Division) certified letter dated October 25, 2010.

The Division is hereby ordering individual well bonds (R649-3-1.5) for all wells (see Attachment A) currently covered under Marion's \$120,000 blanket bond. The total individual well bond obligation will be \$421,500.

Therefore, Marion has 30 days from the date of this Order to post the additional bonding or enter into an agreement with the Division to satisfy this Order.

Marion has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review, according to procedures set forth in Utah Administrative Code R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the Order.

In the event Marion does not comply with this Division Order for Individual Well Bonding the Division will file for a formal hearing before the Board of Oil, Gas and Mining pursuant to Utah §40-6-11(3) & (4).



Page 2

Subject: Division Order - Bonding for Individual Wells.

December 9, 2010

For bonding assistance please contact Randy Thackeray, Lead Auditor at (801) 538-5316. General questions regarding this Order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280, or John Rogers, Oil and Gas Associate Director at (801) 538-5349.

Sincerely,

Clinton Dworshak Compliance Manager

CLD/js Exhibits

cc: John Rogers, Associate Director Steve Alder, Assistant Attorney General Dustin Doucet, Petroleum Engineer Randy Thackeray, Lead Auditor Compliance File Well Files

N:\O&G Reviewed Docs\ChronFile\Enforcement

# Attachment A

Well Name	Well API	Well Depth	<b>Bond</b>
Cordingly Cyn 15-2	43-007-30102	4890	\$30,000
Cordingly Cyn 15-1	43-007-31065	4735	\$30,000
Cordingly Cyn 15-5	43-007-31167	4500	\$30,000
Alpine School District 6-17	43-007-31181	5825	\$30,000
Alpine School District 3-17	43-007-31182	5300	\$30,000
Oman 10-29	43-007-31210	5500	\$30,000
Utah Fuel 8	43-007-16015	4390	\$30,000
Kenilworth RR 1	43-007-31006	4445	\$30,000
Kenilworth RR 2	43-007-31007	5007	\$30,000
Ballpark Cyn 1	43-007-31015	4468	\$30,000
Cordingly Cyn 11-1	43-007-31070	5520	\$30,000
Ballpark Cyn 17-2	43-007-31169	not reported	\$30,000
Cordingly Cyn 10-1	43-007-31173	6435	\$30,000
Ballpark Cyn 16-2X	43-007-31207	489	\$1,500
Kennilworth RR 1-A	43-007-31229	8045	\$30,000
		TOTAL	\$421,500

U.S. Postal Service™ CERTIFIED MAILTIA RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com@ 0140 OF Postage E000 Certified Fee Postmark Return Reciept Fee (Endorsement Required) Here Restricted Delivery Fee (Endorsement Required) 1.16 Total Post Sent To - MR KERI CLARKE MARION ENERGY INC MARION ENERGY INC
Street, Apt.
or PO Box: 119 SOUTH TENNESSEE SUITE 200 City, State, MCKINNEY TX 75069 PS Form 3800. June 2002

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> </ul>	A. Signature  A. Signature  Addressee  B. Received by (Printed Name)  C. Date of Delivery  D. Is delivery address different from item 1? Yes  If YES, enter delivery address below: No
MR KERI CLARKE MARION ENERGY INC 119 SOUTH TENNESSEE SUITE 200 MCKINNEY TX 75069	3. Service Type  Descripted Mail
2. Article Number	4. Restricted Delivery? (Extra Fee) ☐ Yes
(Transfer from service label) 7004 11	60 0003 0190 4789
PS Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540



## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

April 14, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 9023

Mr. Keri Clarke Marion Energy Inc. 119 South Tennessee, Ste 200 McKinney, TX 75069

43 007 31210 Omah 10-29 135 7E 29

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Clarke:

As of January 2011, Marion Energy Inc. (Marion) has four (4) Fee Lease Wells and two (2) State Lease Wells (see Attachment A) that have been added to Marion's non-compliance list concerning the requirements for extended shut-in or temporarily abandoned (SI/TA) status. These wells are in addition to those currently under the stipulated order in Clear Creek. Wells SI/TA beyond twelve (12) consecutive months requires the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining (Division) approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is also a **reissuance of a SECOND NOTICE** for the Ballpark CYN 16-2X well (Attachment A). This well had a first notice sent via certified mail on August 26, 2008, and a second notice sent certified mail on May 04, 2009. To date the Division has not received any of the required information to bring said well into compliance with aforementioned rules. Please submit the required information for extended SI/TA status within 30 days of this notice or further actions will be initiated.

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

- 1. Reasons for SI/TA of the well (R649-3-36-1.1).
- 2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
- 3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT

Page 2 Marion Energy Inc. April 14, 2011

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).

- 1. Wellbore diagram, and
- 2. Copy of recent casing pressure test, and
- 3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
- 4. Fluid level in the wellbore, and
- 5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

# ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
Reissuance of 2 <sup>ND</sup> NOTICE				
1	BALLPARK CYN 16-2X	43-007-31207	FEE	4 Years 7 Months
1 <sup>ST</sup> NOTICE				
2	CORDINGLY CYN 10-1	43-007-31173	FEE	4 Years 6 Months
3	ALPINE SCHOOL DIST 6-17	43-007-31181	ML-1257	2 Years 1 Month
4	OMAN 10-29	43-007-31210	ML-1256	2 Years 5 Months
5	BALLPARK CYN 17-2	43-007-31169	FEE	4 Years 8 Months
6	KENILWORTH RR 1-A	43-007-31229	FEE	1 Year 2 Months

7



May 5, 2011

State of Utah
Department of Natural Resources
1594 West North Temple
Suite 1210
Salt Lake City, Utah 84114

Attention: Dustin Doucet

Re: Notice - Extended SI/TA Well Leases

**Dear Dustin** 

In response to your certified letter of April 14, 2011, we are providing you with information for wells that are currently structured as shut in or temporarily abandoned wells (SI/TA) by DOGM. Each well has individual information and is listed below.

RECEIVED

MAY 0 9 2011

DIV. OF OIL, GAS & MINING

Ballpark Canyon 16-2X 43 007 31207 13S 10E 16

This well is currently only drilled to 500 feet on the Ballpark site, with surface casing set. This well is planned to be drilled in the future to develop the Helper field. The casing is 18" above the ground and it has a cap welded on the casing. This well was a replacement for the Ballpark Canyon well 16-2 where the drilling was lost on the well while drilling surface pipe. As far as DOGM is concerned this well has not been sufficiently drilled but will be this year.

Cordingly Canyon 10-1 43 007 31173 13S 10E 15

This well was drilled to the Ferron but the Ferron portion of the hole collapsed and the well was cased through the lower Mancos. We have provided a wellbore diagram for your use. There is currently no pressure on the casing with no tubing in the hole. We currently plan to develop this into a Mancos well in the near future. We do not have a casing pressure and fluid level on this well.

Ballpark Canyon 17-2 43 007 31169 135 10E 16

This well is the same as the 16-2X well, and has been only drilled to 500 feet with surface casing set. It is currently capped on the surface.

Kenilworth RR 1-A 43 007 31229 135 IDE 16

There is a wellbore diagram attached for this well. We had drilled this well to be a SWD well for Kenilworth. However we had positive response from the Cedar Mountain formation in the Buckhorn Conglomerate. Because of this we decided not to make it a SWD well at that time. We are currently waiting for a third party engineering report to advise us how to sidetrack the well to make it productive. We do not have a casing pressure test and fluid level on this well.



Alpine School District 6-17 43 007 31181

1E 135

In February of this year we met with the Oil and Gas board to present a SWD proposal to convert the wells 3-17 and 6-17 on the Alpine School District site. This was approved. We have performed an MIT on the 3-17 and have converted it into a SWD well. We have not done the MIT on the 6-17 well, though we will probably do it this summer. There is a wellbore diagram attached for your perusal.

Oman 10-29

43 007 31210 13S 7E

This well was drilled two years ago in Clear Creek to the Ferron formation. The well was perforated but has never been stimulated for production. There is a plan to complete this well this summer as part of our plan to bring Clear Creek onto full production. There is a wellbore diagram attached for your perusal. We do not have a casing pressure test and fluid level on this well.

We respectfully request that DOGM extend the SI/TA status on these wells. We hope this answers some of your concerns regarding the wells in your notice. Please contact me should you need anything further,

Yours Sincerely

Keri Clarke

Vice President Land Marion Energy Inc.

Cc: Jim Hansen

LaVonne Garrison - SITLA

ah Division of Gas and Mining

\* in sufficient information provided - see requirements
of rule R649-3-36.

Note: No attachments were provided in package

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

# NOTICE OF VIOLATION

#### STATE OF UTAH

# OIL AND GAS CONSERVATION ACT

\*\*\*\*\*\*\*\*\*\*

135 29 To the following operator: Name: MARION ENERGY INC. Well(s) or Site(s): 1.) BALLPARK CYN 16-2X \_\_\_\_\_ API #: <u>43-007-31207</u> 2.) CORDINGLY CYN 10-1 43-007-31173 3.) BALLPARK CYN 17-2 43-007-31169 4.) KENILWORTH RR 1-A 43-007-31229

5.) ALPINE SCHOOL DISTRICT 6-17

43-007-31181 6.) OMAN 10-29 43-007-31210 E

Date and Time of Inspection/Violation: August 24, 2011

Mailing Address: Attn: Keri Clarke

901 N McDonald St, Ste 601 McKinney, TX 75069-2157

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

# Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells - According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. A first notice of non-compliance was sent out via certified mail on April 26, 2011 to Marion concerning these wells. This notice also served as a re-issuance of a second notice for well #1 listed above. Marion responded with a letter dated May 5, 2011, and received by the Division on May 9, 2011. All requests were denied by the Division on August 3, 2011, due to insufficient information provided by Marion. In this letter Marion addressed the above wells as follows: Well #1 was stated as being drilled to 500' with surface casing set and a cap welded on the casing. Well #2 was said to have future plans of being developed into the Mancos, and lacked any information supporting integrity. Well #3 was stated to be the same as well #1 also being capped at surface. Well #4 was planned for sidetrack, also lacking any information showing integrity. Well #5 stated the plan to do an MIT this summer. Well #6 was planned to complete this summer. The Division recently conducted inspections on each well listed above and found the claims of wells 1 and 3 to be inaccurate as far as being capped at surface. Wells 1 and 3 were found with only plastic thread protectors at surface. Well #4 shows signs of wellhead leaking and also fluid tank leaking outside of containment.

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

These findings cause concern that the casing or equipment condition may make the well a risk to public health and safety or the environment (R649-3-36-1.3). To date our records indicate that no further work has been done as planned or requests submitted by Marion to move these wells into compliance. These wells need to be secured properly.

Action: For the wells subject to this notice, Marion Energy Inc. shall secure these wells properly and either submit the information required by R649-3-36, plug and abandon or place the wells on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: October 15, 20 11

Date of Service Mailing: August 25, 2011

CERTIFIED MAIL NO: 7011 0110 0001 3568 1212

Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File Well Files

6/2005

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES

DEPARTMENT OF NATURAL RESOURCES	F
DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal liaterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME: Clear Creek
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Oman 10-29
2. NAME OF OPERATOR:	9. API NUMBER:
Marion Energy	4300731210
3. ADDRESS OF OPERATOR: P.O. Box 1518 CITY Allen STATE TX ZIP 75013 PHONE NUMBER: (972) 540-2967	10. FIELD AND POOL, OR WILDCAT: Clear Creek
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052 ft FSL & 1581.18 ft FEL	COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start:  CASING REPAIR  DEEPEN  FRACTURE TREAT  NEW CONSTRUCTION	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK	WATER DISPOSAL
Date of work completion:  CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
10/2/2012 COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	OTHER: Update
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes	s, etc.
Currently waiting on completion rig.	
out of the state o	
NAME (PLEASE PRINT) Keri Clarke	
10/0/2012	
SIGNATURE DATE TUIZZUTZ	
(This space for State use only)	
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(See Instructions on Reverse Side)

(5/2000)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES									(hi	ENDE!	change	38)		ORM 8					
DIVISION OF OIL, GAS AND MINING											5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256								
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L TYPE OF HOR		•		_									, ,	Clear Creek Unit  8. WELL NAME and NUMBER:					
b. Type of Work:  NEW HORIZ DEEP. RE- WELL Z LATS EN EN RESVR. OTHER								_   '	Oman 10-29										
2. NAME OF OPERATOR: Marion Energy, Inc								4300731210											
	3. ADDRESS OF OPERATOR: PHONE NUMBER. PO Box 1518 CITY Allen STATE TX 2:P 75013 (972) 540-2967						967	1	10 FIELD AND POOL, OR WILDCAT Clear Creek										
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2052' FSL & 1581.18' FEL								11. OTROTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13s 7e											
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AT TOTAL DEPT											·			12. COUNTY 13. STATE U			UTAH		
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(CONTINUED ON BACK)

(5/2000)

RECEIVED DEC 0 6 2012

Div. of Oil, Gas & Mining

31. INITIAL PI	RODUCTION						. INT	ERVAL A (As sho	wn in Item #26)						
DATE FIRST P	ATE FIRST PRODUCED: TEST DATE:		HOURS TESTED		):	TEST PRODU	CTION	OIL - BBL	GAS - MCF:	WATER -	- 80L:	PROD. METHOD:			
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** ITEM 24: C	Cement Top	-Sh	ow how re	port	ed top(	s) of ce	ment were def	termined (circu	lated (CIR),	calcul	ated (CAL), o	ernent bond log	(CBL), te	mpera	ture survey (TS)).
	Utah Divisi						Phone	: 801-538-53	40						
	1594 West Box 14580	1				)	Fax: 801-359-3940								
	Sait Lake City, Utah 84114-5801														



# Alexis Huefner <alexishuefner@utah.gov>

# Fwd: Oman 10-29 Completion sundry

1 message

**Dustin Doucet** <dustindoucet@utah.gov>
To: Alexis Huefner <alexishuefner@utah.gov>

Wed, Dec 5, 2012 at 5:26 PM

----- Forwarded message ------

From: Doug Endsley <dendsley1124@hotmail.com>

Date: Tue, Dec 4, 2012 at 7:30 AM Subject: Oman 10-29 Completion sundry

To: dustindoucet@utah.gov

Ted told Dave Smith this form was missing. I believe Charlotte filed it years ago but I can't find in in the scarce data I still have. Consequently, I have updated the form to reflect where we are today.

Dustin K. Doucet Petroleum Engineer Division of Oil, Gas and Mining 1594 West North Temple, Ste 1210 Salt Lake City, Utah 84116 801.538.5281 (ofc) 801.359.3940 (fax)

web: www.ogm.utah.gov

Completion Report.pdf 150K

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

# NOTICE OF VIOLATION

# STATE OF UTAH

# OIL AND GAS CONSERVATION ACT

\*\*\*\*\*\*\*\*\*\*\*\*

To the following operator:

Name: MARION ENERGY INC.

Well(s) or Site(s): 1.) BALLPARK CYN 16-2X

2.) CORDINGLY CYN 10-1 43-007-31173

3.) BALLPARK CYN 17-2 43-007-31169

 4.) KENILWORTH RR 1-A
 43-007-31229

 5.) ALPINE SCHOOL DISTRICT 6-17
 43-007-31181

6.) <u>OMAN 10-29 43-007-31210</u> 13S 7E 29

API#: 43-007-31207

7.) BALLPARK CANYON #1 43-007-31015

8.) <u>CORDINGLY CYN 15-5</u> <u>43-007-31167</u>

9.) <u>KENILWORTH RR #1</u> <u>43-007-31006</u>

10.) KENILWORTH RR#2 43-007-31007

 11.) CORDINGLY CYN 15-2
 43-007-31064

 12.) CORDINGLY CYN 15-1
 43-007-31065

13.) CORDINGLY CYN 11-1 43-007-31070

Date and Time of Inspection/Violation: December 10, 2012

Mailing Address: Attn: Keri Clarke

3580 Orr Road

Allen, TX 75002

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

# Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, *Bonding* - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36., Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. Bonding - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. Wells 1 - 6 have previously been issued SI/TA Notices and Notices of Violation without anything being accomplished to move these wells out of violation. Wells 7 and 8 have also been issued a SI/TA Notice without having met the requirements of R649-3-36. Wells 9 - 13 are also in violation of R649-3-36 having been added to Marion's SI/TA violation list. All wells listed above are currently under a Division Order for individual well bonding.

There has not been any evidence of effort being made to bring these wells into compliance. These wells are in violation of R-649-3-36 as listed above. The Division requires Marion to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Marion submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Marion shall fulfill full cost bonding requirements for each well. Marion shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

\* Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 8, 2013	
Date of Service Mailing: January 3, 2013	Certified Mail No: 7010 1670 0001 4810 3645
Division's Representative	Operator or Representative
	(If presented in person)

cc: Compliance File Well Files SITLA

6/2005



Lieutenant Governor

# State of Utah

# DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

# **DIVISION ORDER**

February 22, 2013

Certified Mail #7010 1670 0001 4810 3898

Marion Energy Attn: Keri Clarke 3580 Orr Road Allen, TX 75002

RE: Division Order to Comply with the Notice of Violation Issued to Marion Energy on January 3, 2013

The Division of Oil, Gas and Mining (Division) memorializes the actions Marion Energy (Marion) is required to perform in order to return the wells listed below to compliance under Utah Admin. Code R649-3-36.

1) BALLPARK CYN 16-2X	API # 43-007-31207
2) CORDINGLY CYN 10-1	API # 43-007-31173
3) BALLPARK CYN 17-2	API # 43-007-31169
4) KENILWORTH RR 1-A	API # 43-007-31229
5) ALPINE SCHOOL DISTRICT 6-17	API # 43-007-31181
6) OMAN 10-29	API # 43-007-31210
7) BALLPARK CYN #1	API # 43-007-31015
8) CORDINGLY CYN 15-5	API # 43-007-31167
9) KENILWORTH RR #1	API # 43-007-31006
10) KENILWORTH RR #2	API # 43-007-31007
11) CORDINGLY CYN 15-2	API # 43-007-31064
12) CORDINGLY CYN 15-1	API # 43-007-31065
13) CORDINGLY CYN 11-1	API # 43-007-31070

The Division requires the following actions to be completed by Marion Energy by the prescribed dates listed below:

- 1) Provide the following monthly readings for each well listed above on the first of every month beginning on April 1, 2013.
  - a. Surface Pressure
  - b. Casing Pressure
  - c. Fluid Levels



Page 2

February 22, 2013

Subject: Division Order to Comply with Notice of Violation

2) Plug and abandon the following wells by:

a. BALLPARK CYN 16-2X
 b. BALLPARK CYN 17-2
 c. CORDINGLY CYN 10-1
 July 1, 2013
 July 1, 2013

3) Return the remaining wells not listed in Paragraph 2 to compliance by production, a MIT and plan in accordance with U.A.C. R649-3-36, or plug and abandon by July 1, 2013.

Marion has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Marion does not comply with the Division Order by the dates listed above, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the U.A.C. R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to \$10,000 per day for each day of violation (Utah Code Ann. § 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,

Clut m L Downshak Clinton Dworshak Compliance Manager

CLD/js

Exhibit

cc: John Rogers, Associate Director Cameron Johnson, Assistant Attorney General Dustin Doucet, Engineer Compliance File Well Files

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

# NOTICE OF VIOLATION STATE OF UTAH OIL AND GAS CONSERVATION ACT

To the following operator:

Name: MARION ENERGY INC.

Well(s) or Site(s): 1.) BALLPARK CYN 16-2X API #: 43-007-31207

2.) CORDINGLY CYN 10-1	43-007-31173
3.) BALLPARK CYN 17-2	43-007-31169
4.) KENILWORTH RR 1-A	43-007-31229
5.) ALPINE SCHOOL DISTRICT 6-17	43-007-31181
6.) <u>OMAN 10-29</u>	43-007-31210
7.) BALLPARK CANYON #1	43-007-31015
8.) CORDINGLY CYN 15-5	43-007-31167
9.) KENILWORTH RR #1	43-007-31006
10.) KENILWORTH RR#2	43-007-31007
11.) CORDINGLY CYN 15-2	43-007-31064
12.) CORDINGLY CYN 15-1	43-007-31065
13.) CORDINGLY CYN 11-1	43-007-31070

Date and Time of Inspection/Violation: December 10, 2012

Mailing Address: Attn: Keri Clarke

3580 Orr Road Allen, TX 75002

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

# Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, Bonding - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36. Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. Bonding - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 Phone (801) 359-3940 Fax

The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. Wells 1 - 6 have previously been issued SI/TA Notices and Notices of Violation without anything being accomplished to move these wells out of violation. Wells 7 and 8 have also been issued a SI/TA Notice without having met the requirements of R649-3-36. Wells 9 - 13 are also in violation of R649-3-36 having been added to Marion's SI/TA violation list. All wells listed above are currently under a Division Order for individual well bonding.

There has not been any evidence of effort being made to bring these wells into compliance. These wells are in violation of R-649-3-36 as listed above. The Division requires Marion to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Marion submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Marion shall fulfill full cost bonding requirements for each well. Marion shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

 Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 8, 2013

Date of Service Mailing: January 3, 2013

Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File Well Files SITLA

6/2005



February 5, 2013

Department of Natural Resources Division of Oil Gas and Mining 1594 West North Temple, Suite 1210 Price, Utah 84114

Attention:

Dustin Doucet

Petroleum Engineer

Re:

Notification of Violation January 3, 2013

Operation Plan

Dear Dustin.

Following up on our earlier (Jan. 18, 2013) letter to the Division, and subsequent discussions between Marion, Michael Malmquist of Parsons Behle, and Cameron Johnson, attorney for the Division of Oil Gas and Mining, Marion has been asked to put together a plan of operation for the wells mentioned on the referenced violation. As the Division is aware Marion is currently improving its financial situation. This will allow Marion to operate the fields in Utah fully, as it has done so in the past. From this situation Marion will plan to do the following:

Oman 10-29 135 7E 29

# Helper

Currently all the wells in Helper are connected to the Anadarko gas and water disposal system. Each of the wells on the Kenilworth and Cordingly sides of the field are connected by a closed gas and water pipeline system to the Anadarko connection point, through a Marion right of way. This system is currently shut down. Marion will have to contact Anadarko to set the system operational again. Marion currently has a gas purchase and water disposal agreement in place with Anadarko. Prior to resuming operations Marion will need to inspect each well to determine whether equipment is missing (due to scavenging) or otherwise in need of replacement or rehabilitation before the wells can be turned back on.

# Ballpark Canyon 16-2X

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.

# Ballpark Canyon 17-2

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.



# Cordingly Canyon 10-1

This well has not been completed in the Mancos section of the well. Because of downhole well problems Marion plans to set a rig, plug the well with cement and abandon the well. This well will be abandoned by the date August 8, 2013.

# Kenilworth Railroad #1A

This well was last produced in February 2009. It is a Buckhorn Conglomerate well and is capable of production. This well currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Balipark Canyon #1

This well was last produced in July 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

### Kenilworth Railroad #1

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Kenilworth Railroad #2

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

### Cordingly Canyon 15-5

This well was last produced in April 2010. It is a Mancos well, though it does not currently have a pumping unit on the well. Marion will replace the equipment needed and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Cordingly Canyon 15-1

This well was last produced in September 2010. This is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Cordingly Canyon 15-2

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.



Cordingly Canyon 11-1

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# **Clear Creek**

Oman 10-29.

This well was drilled to the Ferron formation but was not completed. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will attempt to produce the well.

Alpine School District 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into water disposal wells. After the ASD 3017 was approved, it was determined that one well was needed, and another WD well was not needed at that time. The well currently has a rotaflex pumping unit on it. Marion plans to attempt production from the well by the end of 2013. If the well is not producing an MIT will be done.

Marion is proposing this plan to address the January 3, 2013 Notice of Violation. Given the constraints of Marion's financial situation, we believe the plan contains reasonable time frames for conducting work either to abandon or put back on production the wells listed in the NOV. We look forward to hearing from you regarding this matter.

Yours Sincerely

Keri Clarke



February 13, 2013

Department of Natural Resources Division of Oil Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114

Attention: Cameron Johnson, Assistant Attorney General

Re: Notification of Violation January 3, 2013

Operation Plan

Dear Cameron,

This responds to the email you sent to Mike Malmquist on behalf of the Division on February 8, 2013.

# Anadarko Gas Purchase and Water Disposal Agreements

Marion has in place a Gas Purchase Agreement with Anadarko to purchase all gas produced in the field. Anadarko has historically purchased gas from the field and will continue to do so in the future. Marion also has a Water Disposal System Agreement with Anadarko for all water produced in the Helper field. Currently, Marion owes Anadarko of \$47,500 for water disposal fees from historical production. As its financial situation improves Marion will settle the account. Beyond settling its account, Marion does not anticipate any commercial issues with Anadarko that could interfere with gas sales or water disposal.

# Water Disposal and Gas Gathering System

Once Marion completed its initial drilling program in the Helper Field and established that the wells were productive, two separate HDPE trunk lines were laid, one for gas and one for water. Each of the wells was tied in to the trunk lines utilizing HDPE pipe. The tie lines and trunk lines are owned by Marion. The trunk lines terminate at a facility built and operated by Anadarko near Kenilworth. A free water knock-out was set to drop out any water in suspension with the gas before delivery into Anadarko. The system is a closed system. Natural gas production at the Helper field was suspended when Marion ran into financial issues. This decision to suspend production was made by Marion due to the cash and human resource issues, not by Anadarko locking the company out of the system. Each well was isolated from the gas and water lines by shutting the respective valves at each wellhead. Additionally, at the time the field was shut-in

Anadarko was made aware of the Marion situation. Subsequently, Anadarko field personnel secured the aforementioned equipment. The Helper pipeline system was fully operational and problem free when it was shut down. We would not anticipate any problems with the pipe itself, but here maybe some wellhead valves that will need to be examined before recommencing field operations.

# Financial Situation

Marion does not believe that these negotiations are in vain due to its financial condition. Marion has reason to believe that its financial situation will improve within a time frame that accommodates the compliance schedule addressed in this and prior letters. More specifically, Marion expects to have



access to additional funding during the first half of March 2013 that will allow it to begin the work in the Helper field, with another infusion in May 2013.

# Produce or MIT Wells

Marion does not believe that it can produce the wells by April 1, 2013. Marion accepts the Division's proposal to divide the wells into Pods with associated MIT completion dates, but proposes that an additional month be added to the proposed MIT completion date for each pod, as well as the full cost bonding and backup date. This timing is more consistent with Marion's expectation of when it will have the available financial resources.

Pod 1: Ballpark Canyon #1, Kenilworth Railroad #1A, #1, #2: The MIT date for this pod of wells would be June 1, 2013. The work would begin on the Kenilworth Railroad #1A. The backup date for full cost bonding and showing of well integrity would be July 1, 2013.

Pod 2: Cordingly Canyon 15-5, 15-2, 15-1, 11-1: The MIT date for this pod of wells would be August 1, 2013. The backup date for full cost bonding and showing of well integrity would be September 1, 2013.

# Pressure and Fluid Level Information

With regard to DOGM's request for information on pressures and fluid levels in the Helper wells, we would like to make the following comments. First, any field data that was acquired while the field was operational will only show what the operating pressure of the system was. Typically, Anadarko was able to keep enough compression operating field-wide to maintain 25-30 psi on our gas system. Second, the water system in essence gravity fed into the Anadarko system, and as such, there was negligible pressure on this line at all times. Third, since the mechanical integrity of the casing is the concern, the tubing pressure would not provide meaningful information

We are not sure if the sentence is supposed to read "production pressures" and if so what that would mean exactly. As stated before, the field pressure was 25-30 psi when the field was in operation. Since the field is currently shut in there is no production or "production pressure." All previous production has been reported. Concerning the last part of the sentence dealing with surface pressures, fluid levels etc., we see no definitive correlation between those items and casing integrity. Gathering such information now, and particularly given Marion's need to be as efficient as possible with money and personnel, would not appear to be a productive expenditure of resources. Marion proposes that this request be withdrawn, and that we be allowed to focus on putting ourselves in a position to undertake MITs, which are the true measure of well integrity, on the schedule proposed above. We would expect that when Marion enters the Helper field to begin the MIT process the fluid levels and surface wellhead pressure data will be gathered for reservoir engineering reasons, and we would be happy to provide that information to the Division as it is obtained.

Marion hopes this letter addresses the comments and requirements outlined by the Oil and Gas Division in your email from February 8, 2013.

We look forward to hearing from you.

Yours Sincerely

Keri Clarke

3580 Orr Road, Allen, Texas, 75002



January 18, 2013

Department of Natural Resources Division of Oil and Gas & Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114

Attention: Dustin Doucet

Re: Notice of Violation - Clear Creek and Helper Fields

Dear Dustin,

In response to your certified letter of January 3, 2013, we are providing you with information for wells that are currently structured as shut in or temporarily abandoned wells (SI/TA) by DOGM. Each well has individual information and is listed below.

43 007 31210

Oman 10-29 13S 7E 29

As you know, for the last two and a half years Marion Energy Inc. (Marion) has been under financial stress that has not allowed active operations in the Clear Creek and Helper fields, beyond maintaining a field presence and taking some limited, preliminary actions to resuming operations. In the last few months, however, Marion has been able to improve its financial position to the point of resuming active operations in the Clear Creek field, with further financial improvement expected as that field is put back on production.

Marion explained these circumstances to DOGM and the Board of Oil, Gas and Mining at the October 26, 2012 hearing, where Marion sought and obtained Board approval to reinstitute active operations at Clear Creek. As discussed at the hearing, Marion's funding is currently limited to the monies needed to put the Clear Creek field back on production, beginning with the Oman 2-20 and Oman 10-29 wells, but once that occurs Marion expects its financial position to continue to improve to the point it can meet all of its obligations with respect to its SI/TA wells, and to move back into active operations at the Helper Field

Consistent with discussions at the October Board hearing, we have now rehabilitated the water disposal (WD) system in the accessible portion of the Clear Creek field and we are actively working on restoring production at the two initially targeted wells, despite the extreme winter weather conditions that set in several weeks ago.

# **Helper**

The wells listed in the NOV for the Helper Field are all modern wells, having been drilled in 2005 or later. This field was in production until October 2010, though the wells are now shut in. All of the Helper wells listed in the NOV are currently attached to a gas and water system (the Anadarko sales and SWD system). This system is controlled entirely by Anadarko. Marion conducted an inspection of the Helper Field on 1-16-13 and confirmed that there is no evidence of any gas or water leaks at any of the wells. We understand that DOGM has also recently inspected the Helper Field and reached the same conclusion. Marion plans to bring this field into operation soon, as finances allow. Please be advised that Marion has already provided wellbore diagrams of all of the wells referenced below.



# Ballpark Canyon 16-2X

This well is only drilled to 500 feet on the Ballpark site with surface casing set. The casing is 18" above the ground and it has a cap welded on the casing. This well was a replacement for the Ballpark Canyon 16-2 where the drilling was lost on the well while drilling surface pipe. Marion plans to drill this well to the Ferron in the future.

# Ballpark Canyon 17-2

This well is the same as the 16-2X well, and has been only drilled to 500 feet with surface casing set. It is currently capped on the surface.

# Ballpark Canyon #1

This well is drilled as a Ferron well and has been completed. It has been producing in the past though it is currently shut in. There is a pumping unit on the well. Among the Helper Field wells, this well is the one that has the closest proximity to occupied structures. We closely inspected this well on 1-16-13 and confirmed that there are no issues.

# Cordingly Canyon 10-1

This well was drilled as a Ferron producer. However because of hole issues in the deeper section it was expected to be completed as a Mancos well. Marion plans to complete the well, and produce the well in the future.

# Kenilworth RR#1A

We had originally drilled this well to be a SWD well for Helper. However we had positive response from the Buckhorn Conglomerate and we completed the well in that zone. The well has produced in the past and we will plan to bring it back online soon. A situation regarding the wellhead leaking at the site was handled by our operations people and the well site is now clean of this spill.

# Kenilworth RR#1

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

# Keniworth RR#2

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

# Cordingly Canyon 15-5

This well was drilled to the Mancos formation and was completed. It did produce for a short time before being shut in. Marion plans to work on this well and to produce it soon.



# Cordingly Canyon 15-2

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it back into production soon.

Cordingly Canyon 15-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. It currently has a pumping unit on the well. Marion plans to bring this well into production soon.

Cordingly Canyon 11-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it into production soon.

# **Clear Creek**

The NOV lists two wells in the Clear Creek Field, the ASD 6-17 and the Ornan 10-29. Both of these are modern wells drilled after 2005. The Clear Creek Field came off production in July 2011 due to financial issues and a rupture in the water disposal line. We have inspected both of these wells in the last few weeks and neither has any leaks or other problems.

Following the Board hearing in late October, Marion has re-commenced operations in the Clear Creek Field. It has done an MIT on the current SWD well (the ASD 3-17). It has replaced several Air Vacs on the water line in the field, and tested the whole system. It has commenced operations in the field on two wells, the Oman 2-20 and the Oman 10-29. Given its financial situation improving, Marion plans to expand operations to additional Clear Creek wells in the near future. Please be advised that Marion has provided wellbore diagrams on these wells in the past.

ASD 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into WD wells, to ensure that at least one WD well was permitted. After the ASD 3-17 was approved, it was determined that it would suffice and another WD well was not needed at that time. The well currently has a rotaffex pumping unit on it. Marion plans to commence operations on this well and bring it on to production soon.

Oman 10-29

This well was drilled to the Ferron but was not completed. Since resuming operations in the Clear Creek field in November, Marion has sent in a completion form for the well, and has done a flow test on the well. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will produce the well.



# **Bonding**

Marion does not currently have the financial wherewithal to undertake full cost bonding of all of the wells listed in the NOV, and will not be in a condition to do so until its financial situation further improves. We note, however, that Marion currently is bonded with DOGM for \$451,500 (\$421,500 surety bond and \$30,000 cash bond), and DOGM holds an additional \$184,000 of cash for reclamation of Marion wells, meaning there is over \$630,000 in place with DOGM for reclamation, When added to Marion's federal and SITLA bonds, there is just under \$1,000,000 currently available for Marion reclamation.

Based on the above information, Marion respectfully requests that DOGM extend the SI/TA status on these wells, and withhold further enforcement action while Marion brings the Clear Creek Field back on production and continues to improve its financial condition to the point it can put move back into the Helper field and put those wells back into production as well, thereby removing the wells from SI/TA status.

We would be happy to meet with you to further discuss this matter. In the meantime, feel free to contact us should you need anything further.

Yours Sincerely,

Keri Clarke



Lieutenant Governor

# State of Utah

# DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

# **DIVISION ORDER**

February 22, 2013

Certified Mail #7010 1670 0001 4810 3898

Marion Energy Attn: Keri Clarke 3580 Orr Road Allen, TX 75002

RE: Division Order to Comply with the Notice of Violation Issued to Marion Energy on January 3, 2013

The Division of Oil, Gas and Mining (Division) memorializes the actions Marion Energy (Marion) is required to perform in order to return the wells listed below to compliance under Utah Admin. Code R649-3-36.

1) BALLPARK CYN 16-2X	API # 43-007-31207
2) CORDINGLY CYN 10-1	API # 43-007-31173
3) BALLPARK CYN 17-2	API # 43-007-31169
4) KENILWORTH RR 1-A	API # 43-007-31229
5) ALPINE SCHOOL DISTRICT 6-17	API # 43-007-31181
6) OMAN 10-29	API # 43-007-31210
7) BALLPARK CYN #1	API # 43-007-31015
8) CORDINGLY CYN 15-5	API # 43-007-31167
9) KENILWORTH RR #1	API # 43-007-31006
10) KENILWORTH RR #2	API # 43-007-31007
11) CORDINGLY CYN 15-2	API # 43-007-31064
12) CORDINGLY CYN 15-1	API # 43-007-31065
13) CORDINGLY CYN 11-1	API # 43-007-31070

The Division requires the following actions to be completed by Marion Energy by the prescribed dates listed below:

- 1) Provide the following monthly readings for each well listed above on the first of every month beginning on April 1, 2013.
  - a. Surface Pressure
  - b. Casing Pressure
  - c. Fluid Levels



Page 2

February 22, 2013

Subject: Division Order to Comply with Notice of Violation

2) Plug and abandon the following wells by:

a. BALLPARK CYN 16-2X
 b. BALLPARK CYN 17-2
 c. CORDINGLY CYN 10-1
 July 1, 2013
 July 1, 2013

3) Return the remaining wells not listed in Paragraph 2 to compliance by production, a MIT and plan in accordance with U.A.C. R649-3-36, or plug and abandon by July 1, 2013.

Marion has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Marion does not comply with the Division Order by the dates listed above, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the U.A.C. R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to \$10,000 per day for each day of violation (Utah Code Ann. § 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,

Clut m L Downshak Clinton Dworshak Compliance Manager

CLD/js

Exhibit

cc: John Rogers, Associate Director Cameron Johnson, Assistant Attorney General Dustin Doucet, Engineer Compliance File Well Files

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

# NOTICE OF VIOLATION STATE OF UTAH OIL AND GAS CONSERVATION ACT

To the following operator:

Name: MARION ENERGY INC.

Well(s) or Site(s): 1.) BALLPARK CYN 16-2X API #: 43-007-31207

2.) CORDINGLY CYN 10-1	43-007-31173
3.) BALLPARK CYN 17-2	43-007-31169
4.) KENILWORTH RR 1-A	43-007-31229
5.) ALPINE SCHOOL DISTRICT 6-17	43-007-31181
6.) <u>OMAN 10-29</u>	43-007-31210
7.) BALLPARK CANYON #1	43-007-31015
8.) CORDINGLY CYN 15-5	43-007-31167
9.) KENILWORTH RR #1	43-007-31006
10.) KENILWORTH RR#2	43-007-31007
11.) CORDINGLY CYN 15-2	43-007-31064
12.) CORDINGLY CYN 15-1	43-007-31065
13.) CORDINGLY CYN 11-1	43-007-31070

Date and Time of Inspection/Violation: December 10, 2012

Mailing Address: Attn: Keri Clarke

3580 Orr Road Allen, TX 75002

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

# Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, Bonding - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36. Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. Bonding - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 Phone (801) 359-3940 Fax

The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. Wells 1 - 6 have previously been issued SI/TA Notices and Notices of Violation without anything being accomplished to move these wells out of violation. Wells 7 and 8 have also been issued a SI/TA Notice without having met the requirements of R649-3-36. Wells 9 - 13 are also in violation of R649-3-36 having been added to Marion's SI/TA violation list. All wells listed above are currently under a Division Order for individual well bonding.

There has not been any evidence of effort being made to bring these wells into compliance. These wells are in violation of R-649-3-36 as listed above. The Division requires Marion to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Marion submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Marion shall fulfill full cost bonding requirements for each well. Marion shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

 Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 8, 2013

Date of Service Mailing: January 3, 2013

Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File Well Files SITLA

6/2005



February 5, 2013

Department of Natural Resources Division of Oil Gas and Mining 1594 West North Temple, Suite 1210 Price, Utah 84114

Attention:

Dustin Doucet

Petroleum Engineer

Re:

Notification of Violation January 3, 2013

Operation Plan

Dear Dustin.

Following up on our earlier (Jan. 18, 2013) letter to the Division, and subsequent discussions between Marion, Michael Malmquist of Parsons Behle, and Cameron Johnson, attorney for the Division of Oil Gas and Mining, Marion has been asked to put together a plan of operation for the wells mentioned on the referenced violation. As the Division is aware Marion is currently improving its financial situation. This will allow Marion to operate the fields in Utah fully, as it has done so in the past. From this situation Marion will plan to do the following:

Oman 10-29 135 7E 29

# Helper

Currently all the wells in Helper are connected to the Anadarko gas and water disposal system. Each of the wells on the Kenilworth and Cordingly sides of the field are connected by a closed gas and water pipeline system to the Anadarko connection point, through a Marion right of way. This system is currently shut down. Marion will have to contact Anadarko to set the system operational again. Marion currently has a gas purchase and water disposal agreement in place with Anadarko. Prior to resuming operations Marion will need to inspect each well to determine whether equipment is missing (due to scavenging) or otherwise in need of replacement or rehabilitation before the wells can be turned back on.

# Ballpark Canyon 16-2X

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.

# Ballpark Canyon 17-2

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.



# Cordingly Canyon 10-1

This well has not been completed in the Mancos section of the well. Because of downhole well problems Marion plans to set a rig, plug the well with cement and abandon the well. This well will be abandoned by the date August 8, 2013.

# Kenilworth Railroad #1A

This well was last produced in February 2009. It is a Buckhorn Conglomerate well and is capable of production. This well currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Balipark Canyon #1

This well was last produced in July 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

### Kenilworth Railroad #1

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Kenilworth Railroad #2

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

### Cordingly Canyon 15-5

This well was last produced in April 2010. It is a Mancos well, though it does not currently have a pumping unit on the well. Marion will replace the equipment needed and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Cordingly Canyon 15-1

This well was last produced in September 2010. This is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# Cordingly Canyon 15-2

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.



Cordingly Canyon 11-1

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

# **Clear Creek**

Oman 10-29.

This well was drilled to the Ferron formation but was not completed. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will attempt to produce the well.

Alpine School District 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into water disposal wells. After the ASD 3017 was approved, it was determined that one well was needed, and another WD well was not needed at that time. The well currently has a rotaflex pumping unit on it. Marion plans to attempt production from the well by the end of 2013. If the well is not producing an MIT will be done.

Marion is proposing this plan to address the January 3, 2013 Notice of Violation. Given the constraints of Marion's financial situation, we believe the plan contains reasonable time frames for conducting work either to abandon or put back on production the wells listed in the NOV. We look forward to hearing from you regarding this matter.

Yours Sincerely

Keri Clarke



February 13, 2013

Department of Natural Resources Division of Oil Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114

Attention: Cameron Johnson, Assistant Attorney General

Re: Notification of Violation January 3, 2013

Operation Plan

Dear Cameron,

This responds to the email you sent to Mike Malmquist on behalf of the Division on February 8, 2013.

# Anadarko Gas Purchase and Water Disposal Agreements

Marion has in place a Gas Purchase Agreement with Anadarko to purchase all gas produced in the field. Anadarko has historically purchased gas from the field and will continue to do so in the future. Marion also has a Water Disposal System Agreement with Anadarko for all water produced in the Helper field. Currently, Marion owes Anadarko of \$47,500 for water disposal fees from historical production. As its financial situation improves Marion will settle the account. Beyond settling its account, Marion does not anticipate any commercial issues with Anadarko that could interfere with gas sales or water disposal.

# Water Disposal and Gas Gathering System

Once Marion completed its initial drilling program in the Helper Field and established that the wells were productive, two separate HDPE trunk lines were laid, one for gas and one for water. Each of the wells was tied in to the trunk lines utilizing HDPE pipe. The tie lines and trunk lines are owned by Marion. The trunk lines terminate at a facility built and operated by Anadarko near Kenilworth. A free water knock-out was set to drop out any water in suspension with the gas before delivery into Anadarko. The system is a closed system. Natural gas production at the Helper field was suspended when Marion ran into financial issues. This decision to suspend production was made by Marion due to the cash and human resource issues, not by Anadarko locking the company out of the system. Each well was isolated from the gas and water lines by shutting the respective valves at each wellhead. Additionally, at the time the field was shut-in

Anadarko was made aware of the Marion situation. Subsequently, Anadarko field personnel secured the aforementioned equipment. The Helper pipeline system was fully operational and problem free when it was shut down. We would not anticipate any problems with the pipe itself, but here maybe some wellhead valves that will need to be examined before recommencing field operations.

# Financial Situation

Marion does not believe that these negotiations are in vain due to its financial condition. Marion has reason to believe that its financial situation will improve within a time frame that accommodates the compliance schedule addressed in this and prior letters. More specifically, Marion expects to have



access to additional funding during the first half of March 2013 that will allow it to begin the work in the Helper field, with another infusion in May 2013.

# Produce or MIT Wells

Marion does not believe that it can produce the wells by April 1, 2013. Marion accepts the Division's proposal to divide the wells into Pods with associated MIT completion dates, but proposes that an additional month be added to the proposed MIT completion date for each pod, as well as the full cost bonding and backup date. This timing is more consistent with Marion's expectation of when it will have the available financial resources.

Pod 1: Ballpark Canyon #1, Kenilworth Railroad #1A, #1, #2: The MIT date for this pod of wells would be June 1, 2013. The work would begin on the Kenilworth Railroad #1A. The backup date for full cost bonding and showing of well integrity would be July 1, 2013.

Pod 2: Cordingly Canyon 15-5, 15-2, 15-1, 11-1: The MIT date for this pod of wells would be August 1, 2013. The backup date for full cost bonding and showing of well integrity would be September 1, 2013.

# Pressure and Fluid Level Information

With regard to DOGM's request for information on pressures and fluid levels in the Helper wells, we would like to make the following comments. First, any field data that was acquired while the field was operational will only show what the operating pressure of the system was. Typically, Anadarko was able to keep enough compression operating field-wide to maintain 25-30 psi on our gas system. Second, the water system in essence gravity fed into the Anadarko system, and as such, there was negligible pressure on this line at all times. Third, since the mechanical integrity of the casing is the concern, the tubing pressure would not provide meaningful information

We are not sure if the sentence is supposed to read "production pressures" and if so what that would mean exactly. As stated before, the field pressure was 25-30 psi when the field was in operation. Since the field is currently shut in there is no production or "production pressure." All previous production has been reported. Concerning the last part of the sentence dealing with surface pressures, fluid levels etc., we see no definitive correlation between those items and casing integrity. Gathering such information now, and particularly given Marion's need to be as efficient as possible with money and personnel, would not appear to be a productive expenditure of resources. Marion proposes that this request be withdrawn, and that we be allowed to focus on putting ourselves in a position to undertake MITs, which are the true measure of well integrity, on the schedule proposed above. We would expect that when Marion enters the Helper field to begin the MIT process the fluid levels and surface wellhead pressure data will be gathered for reservoir engineering reasons, and we would be happy to provide that information to the Division as it is obtained.

Marion hopes this letter addresses the comments and requirements outlined by the Oil and Gas Division in your email from February 8, 2013.

We look forward to hearing from you.

Yours Sincerely

Keri Clarke

3580 Orr Road, Allen, Texas, 75002



January 18, 2013

Department of Natural Resources Division of Oil and Gas & Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114

Attention: Dustin Doucet

Re: Notice of Violation - Clear Creek and Helper Fields

Dear Dustin,

In response to your certified letter of January 3, 2013, we are providing you with information for wells that are currently structured as shut in or temporarily abandoned wells (SI/TA) by DOGM. Each well has individual information and is listed below.

43 007 31210

Oman 10-29 13S 7E 29

As you know, for the last two and a half years Marion Energy Inc. (Marion) has been under financial stress that has not allowed active operations in the Clear Creek and Helper fields, beyond maintaining a field presence and taking some limited, preliminary actions to resuming operations. In the last few months, however, Marion has been able to improve its financial position to the point of resuming active operations in the Clear Creek field, with further financial improvement expected as that field is put back on production.

Marion explained these circumstances to DOGM and the Board of Oil, Gas and Mining at the October 26, 2012 hearing, where Marion sought and obtained Board approval to reinstitute active operations at Clear Creek. As discussed at the hearing, Marion's funding is currently limited to the monies needed to put the Clear Creek field back on production, beginning with the Oman 2-20 and Oman 10-29 wells, but once that occurs Marion expects its financial position to continue to improve to the point it can meet all of its obligations with respect to its SI/TA wells, and to move back into active operations at the Helper Field

Consistent with discussions at the October Board hearing, we have now rehabilitated the water disposal (WD) system in the accessible portion of the Clear Creek field and we are actively working on restoring production at the two initially targeted wells, despite the extreme winter weather conditions that set in several weeks ago.

# **Helper**

The wells listed in the NOV for the Helper Field are all modern wells, having been drilled in 2005 or later. This field was in production until October 2010, though the wells are now shut in. All of the Helper wells listed in the NOV are currently attached to a gas and water system (the Anadarko sales and SWD system). This system is controlled entirely by Anadarko. Marion conducted an inspection of the Helper Field on 1-16-13 and confirmed that there is no evidence of any gas or water leaks at any of the wells. We understand that DOGM has also recently inspected the Helper Field and reached the same conclusion. Marion plans to bring this field into operation soon, as finances allow. Please be advised that Marion has already provided wellbore diagrams of all of the wells referenced below.



# Ballpark Canyon 16-2X

This well is only drilled to 500 feet on the Ballpark site with surface casing set. The casing is 18" above the ground and it has a cap welded on the casing. This well was a replacement for the Ballpark Canyon 16-2 where the drilling was lost on the well while drilling surface pipe. Marion plans to drill this well to the Ferron in the future.

# Ballpark Canyon 17-2

This well is the same as the 16-2X well, and has been only drilled to 500 feet with surface casing set. It is currently capped on the surface.

# Ballpark Canyon #1

This well is drilled as a Ferron well and has been completed. It has been producing in the past though it is currently shut in. There is a pumping unit on the well. Among the Helper Field wells, this well is the one that has the closest proximity to occupied structures. We closely inspected this well on 1-16-13 and confirmed that there are no issues.

# Cordingly Canyon 10-1

This well was drilled as a Ferron producer. However because of hole issues in the deeper section it was expected to be completed as a Mancos well. Marion plans to complete the well, and produce the well in the future.

# Kenilworth RR#1A

We had originally drilled this well to be a SWD well for Helper. However we had positive response from the Buckhorn Conglomerate and we completed the well in that zone. The well has produced in the past and we will plan to bring it back online soon. A situation regarding the wellhead leaking at the site was handled by our operations people and the well site is now clean of this spill.

# Kenilworth RR#1

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

# Keniworth RR#2

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

# Cordingly Canyon 15-5

This well was drilled to the Mancos formation and was completed. It did produce for a short time before being shut in. Marion plans to work on this well and to produce it soon.



# Cordingly Canyon 15-2

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it back into production soon.

Cordingly Canyon 15-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. It currently has a pumping unit on the well. Marion plans to bring this well into production soon.

Cordingly Canyon 11-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it into production soon.

# **Clear Creek**

The NOV lists two wells in the Clear Creek Field, the ASD 6-17 and the Ornan 10-29. Both of these are modern wells drilled after 2005. The Clear Creek Field came off production in July 2011 due to financial issues and a rupture in the water disposal line. We have inspected both of these wells in the last few weeks and neither has any leaks or other problems.

Following the Board hearing in late October, Marion has re-commenced operations in the Clear Creek Field. It has done an MIT on the current SWD well (the ASD 3-17). It has replaced several Air Vacs on the water line in the field, and tested the whole system. It has commenced operations in the field on two wells, the Oman 2-20 and the Oman 10-29. Given its financial situation improving, Marion plans to expand operations to additional Clear Creek wells in the near future. Please be advised that Marion has provided wellbore diagrams on these wells in the past.

ASD 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into WD wells, to ensure that at least one WD well was permitted. After the ASD 3-17 was approved, it was determined that it would suffice and another WD well was not needed at that time. The well currently has a rotaffex pumping unit on it. Marion plans to commence operations on this well and bring it on to production soon.

Oman 10-29

This well was drilled to the Ferron but was not completed. Since resuming operations in the Clear Creek field in November, Marion has sent in a completion form for the well, and has done a flow test on the well. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will produce the well.



# **Bonding**

Marion does not currently have the financial wherewithal to undertake full cost bonding of all of the wells listed in the NOV, and will not be in a condition to do so until its financial situation further improves. We note, however, that Marion currently is bonded with DOGM for \$451,500 (\$421,500 surety bond and \$30,000 cash bond), and DOGM holds an additional \$184,000 of cash for reclamation of Marion wells, meaning there is over \$630,000 in place with DOGM for reclamation, When added to Marion's federal and SITLA bonds, there is just under \$1,000,000 currently available for Marion reclamation.

Based on the above information, Marion respectfully requests that DOGM extend the SI/TA status on these wells, and withhold further enforcement action while Marion brings the Clear Creek Field back on production and continues to improve its financial condition to the point it can put move back into the Helper field and put those wells back into production as well, thereby removing the wells from SI/TA status.

We would be happy to meet with you to further discuss this matter. In the meantime, feel free to contact us should you need anything further.

Yours Sincerely,

Keri Clarke

# SEND Sunday ? Attachments to each of the well files Listed Below:

1) BALLPARK CYN 16-2X 2) CORDINGLY CYN 10-1 3) BALLPARK CYN 17-2 4) KENILWORTH RR 1-A 5) ALPINE SCHOOL DISTRICT 6-17 6) OMAN 10-29 7) BALLPARK CYN #1 8) CORDINGLY CYN 15-5 9) KENILWORTH RR #1 10) KENILWORTH RR #2 11) CORDINGLY CYN 15-1	API # 43-007-31207 API # 43-007-31173 API # 43-007-31169 API # 43-007-31229 API # 43-007-31210 API # 43-007-31015 API # 43-007-31067 API # 43-007-31006 API # 43-007-31007 API # 43-007-31064 API # 43-007-31065

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES

FORM 9

	DIVISION OF OIL, GAS AND M	INING	5. LEASE DESIGNATION AND SERIAL NUMBER:
SUNDR	Y NOTICES AND REPORT	S ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		<del></del>	
Do not use this form for proposals to do drill horizonta TYPE OF WELL	Il new wells, significantly deepen existing wells below on taterals. Use APPLICATION FOR PERMIT TO DRILL	urrent bottom-hole depth, reenter plugged wells, o form for such proposals.	
OIL WELL	L GAS WELL 🗹 OTHER		WELL NAME and NUMBER:     Kenilworth/Cordingly Canyon
NAME OF OPERATOR Mario	on Energy, Inc.		9. API NUMBER:
ADDRESS OF OPERATOR:		PHONE NUMBER:	10 FIELD AND POOL, OR WILDCAT
If No. Main St.	Helper STATE Ut Z	<sub>e</sub> 84526 (435) 650-3923	S Kenilworth
FOOTAGES AT SURFACE.			course Corbon
			county: Carbon
QTR/QTR, SECTION, TOWNSHIP, R/	ANGE, MERIDIAN		STATE: UTAH
CHECK APP	PROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, RE	PORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT	ACIDIZE	DEEPEN	REPERFORATE CURRENT FORMATION
(Submit in Duplicate)	ALTER CASING	FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start:	CASING REPAIR	NEW CONSTRUCTION	TEMPORARILY ABANDON
	CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR
	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME	PLJG BACK	WATER DISPOSAL
	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion	CHANGE WELL STATUS COMMINGLE PRODUCING FORMATIONS	PRODUCTION (START/RESUME)	
Date of work completion  DESCRIBE PROPOSED OR (	COMMINGLE PRODUCING FORMATIONS CONVERT WELL TYPE COMPLETED OPERATIONS. Clearly show all	PRODUCTION (START/RESUME) RECLAMATION OF WELL SITE RECOMPLETE - DIFFERENT FORMAT  Pertinent details including dates, depths, v	WATER SHUT-OFF OTHER:
Date of work completion  DESCRIBE PROPOSED OR (	COMMINGLE PRODUCING FORMATIONS  CONVERT WELL TYPE	PRODUCTION (START/RESUME) RECLAMATION OF WELL SITE RECOMPLETE - DIFFERENT FORMAT  Pertinent details including dates, depths, v	WATER SHUT-OFF OTHER:

This space for State use only

RECEIVED MAY 0 1 2013

### Kenilworth/Cordingly

#### Pressures

15-1

Tubing 0 Casing 5

15-5

Tubing 0 Casing 0

15-2

Tubing 0 Casing 0

10-1

Tubing 0 Casing 15

Cordingly 11-1

Tubing 0 Casing 80

Kenilworth RR 1-A

Tubing 400 Casing 1400

Kenilworth RR 1

Tubing 20 Casing 20

15-3

Tubing 20 Casing 50

Ball Park 1

Tubing 0 Casing 0

Kenilworth RR 2

Tubing 0 Casing 0

16-2 Not Drilled

17-2 Not Drilled

Kenilworth RR 15-4 Not Drilled

## Clear Creek

10 29

Tubing 0 Casing 0

Oman 2-20

Tubing 110 Casing 90

6-17

Tubing 0 Casing 0

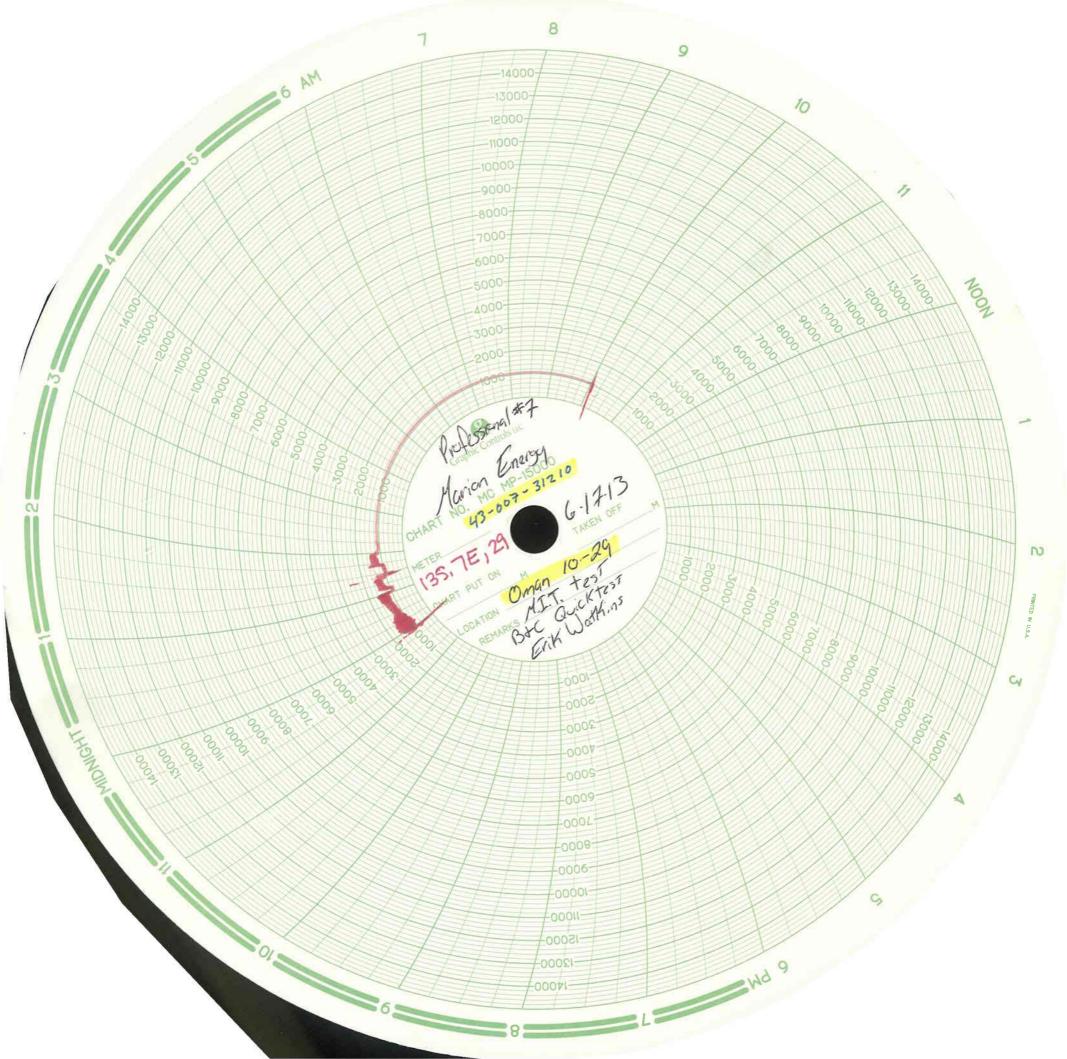
#### FORM 9

DIV. OF OIL, GAS & MINING

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL CAS AND MINING

	DIVISION OF OIL, GAS AND M		
	5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256		
SUNDRY	Y NOTICES AND REPORT	S ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
drill horizontal i	new wells, significantly deepen existing wells below o aterals. Use APPLICATION FOR PERMIT TO DRILL	urrent bottom-hole depth, reenter plugged wells, or to form for such proposals.	7, UNIT OF CA AGREEMENT NAME: Clear Creek
1. TYPE OF WELL OIL WELL	☐ GAS WELL ☑ OTHER		8. WELL NAME and NUMBER: Oman 10-29
2. NAME OF OPERATOR:			9. API NUMBER:
Marion Energy			4300731210
	y Allen STATE TX zi	75013 PHONE NUMBER: (972) 540-2967	10. FIELD AND POOL, OR WILDCAT: Clear Creek
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052 1	ft FSL & 1581 ft FEL		county: Carbon
QTRACTR, SECTION, TOWNSHIP, RAN	IGE, MERIDIAN: NWSE 29 13S	7E	STATE: UTAH
11. CHECK APPI	ROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPO	ORT OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	THE THE THE THE THE THE THE THE THE THE
NOTICE OF INTENT	ACIDIZE	DEEPEN	REPERFORATE CURRENT FORMATION
NOTICE OF INTENT (Submit in Duplicate)	ALTER CASING	FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start;	CASING REPAIR	NEW CONSTRUCTION	TEMPORARILY ABANDON
6/14/2013	CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR
	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
(Submit Original Form Only)	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion:	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	OTHER: MIT
	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR CO	OMPLETED OPERATIONS Clearly show all	pertinent details including dates, depths, volun	non etc
Marion Energy proposes t a 7" packer at a depth of	to perform a casing integrity test	on the Oman 10-29 well. Rig wo	rk to begin on 6/14/2014. We will set
			COPY SENT TO OPERATOR
			2-17-2013
			Date: <u>6-17-2013</u> Initials: <u>KS</u>
NAME (PLEASE PRINT) Doug End	sley	TITLE Consultant	
SIGNATURE	Endly	DATE 6/13/2014	
(This space for State use only)			
	TORTE SHIT VALUE		
ACEUT	ED BY THE STATE AR DIVISION OF		RECEIVED
And the second			
(5/2000)		uctions on Reverse Side)	JUN 13 2813





# State of Utah

#### DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

June 2, 2014

Certified Mail #7003 2260 0003 2358 7004

Jeff Clarke Marion Energy, Inc. 3580 Orr Road Allen, Texas 75002

1E

Subject: Notice of Violation for Shut-in and Temporarily Abandoned Wells

Dear Mr. Clarke:

The Division of Oil, Gas and Mining (Division) issued Marion Energy, Inc (Marion) a Shut-in and Temporarily Abandoned Notice of Violation (NOV), dated January 3, 2013, for the following thirteen (13) wells.

Ballpark Cyn 16-2X	43-007-31207 Plugged and Abandoned - June 2013
Cordingly Cyn 10-1	43-007-31173 Plugged and Abandoned – October 2012
Ballpark Cyn 17-2	43-007-31169 Plugged and Abandoned – June 2013
Kenilworth RR 1-A	43-007-31229 Last Production – November 2008
Alpine School District 6-17	43-007-31181 Last Production – November 2008
Oman 10-29	43-007-31210 Comp – November 2008, Never Produced
Ballpark Cyn #1	43-007-31015 Last Production - June 2010
Cordingly Cyn 15-5	43-007-31167 Last Production – April 2010
Kenilworth RR #1	43-007-31006 Last Production – August 2010
Kenilworth RR#2	43-007-31007 Last Production – August 2010
Cordingly Cyn 15-2	43-007-31064 Last Production – August 2010
Cordingly Cyn 15-1	43-007-31065 Last Production – August 2010
Cordingly Cyn 11-1	43-007-31070 Last Production – August 2010

Marion plugged and abandoned the Ballpark Cyn 16-2X, Cordingly Cyn 10-1 and Ballpark Cyn 17-2 wells. The other ten (10) wells are still in noncompliance with Rule R64-3-16 Shut-in and Temporarily Abandoned Wells. If work was done on the wells Marion has not submitted notice of intent or subsequent sundry notices to the Division. If any work has been done on the wells please submit sundries immediately for the well files.

The operator is responsible to file, yearly, for extended shut-in or temporary abandonment for wells shut-in or temporarily abandoned for a period of twelve (12) consecutive months. Marion must file a Sundry Notice providing the following information for each of the above ten noncompliance wells; reasons for shut-in or temporarily abandonment of the well, UTAH length of time the well is expected to be shut-in or temporarily abandoned and an explanation

Page 2 Marion Energy, Inc. June 2, 2014

and supporting data showing the well has integrity (R649-3-36.1). After review the Division will either approve the continued shut-in or temporarily abandoned status or require remedial action (R649-3-36.2). After five (5) years of non-activity or non-productivity, the well shall be plugged in accordance with R649-3-24, unless approval for extended shut-in time is given by the Division upon a showing of good cause by the operator (R649-3-36.3). Please note, three (3) of the ten noncompliance wells listed above have been shut-in over five (5) years.

Marion has until <u>June 30, 2014</u> to submit sundries, for the subject wells, in accordance with Oil and Gas Conservation General Rule 649-3-36 Shut-in and Temporarily Abandoned Wells.

Should Marion not meet shut-in and temporarily abandoned well requirements, the Division is prepared to file a Notice of Agency Action (NAA) for Commencement of Informal Adjudicative Proceedings (R649-10-3) for this matter in accordance with Oil and Gas Conservation General Rule R649-10 Administrative Procedures.

If you have any questions or need further assistance, please feel free to contact me at <a href="mailto:clintondworshak@utah.gov">clintondworshak@utah.gov</a> or 801-538-5280 or Dustin Doucet, Petroleum Engineer, at <a href="mailto:dustindoucet@utah.gov">dustindoucet@utah.gov</a> or 801-538-5281.

Sincerely,

Clinton Dworshak

Oil and Gas Compliance Manager

Clistan & Devushah

CLD/is

cc: John Rogers, Oil & Gas Associate Director
Dustin Doucet, Petroleum Engineer
Well Files
Compliance File

N:\O&G Reviewed Docs\ChronFile\Compliance

Sundry Number: 53338 API Well Number: 43007312100000

	STATE OF UTAH		FORM 9			
ı	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MINI		5.LEASE DESIGNATION AND SERIAL NUMBER: ML-1256			
SUNDR	Y NOTICES AND REPORTS O	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
	oposals to drill new wells, significantly de reenter plugged wells, or to drill horizont n for such proposals.		7.UNIT or CA AGREEMENT NAME: CLEAR CREEK			
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: OMAN 10-29			
2. NAME OF OPERATOR: MARION ENERGY, INC.		9. API NUMBER: 43007312100000				
3. ADDRESS OF OPERATOR: 2150 South Central Expres	sway , McKinney, TX, 75070	PHONE NUMBER: 972 540-2967 Ext	9. FIELD and POOL or WILDCAT: CLEAR CREEK			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052 FSL 1581 FEL			COUNTY: CARBON			
QTR/QTR, SECTION, TOWNSH Qtr/Qtr: NWSE Section: 2	HP, RANGE, MERIDIAN: 29 Township: 13.0S Range: 07.0E Meridia	n: S	STATE: UTAH			
11. CHEC	K APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPOR	RT, OR OTHER DATA			
TYPE OF SUBMISSION		TYPE OF ACTION				
	ACIDIZE	ALTER CASING	CASING REPAIR			
Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME			
10/31/2014	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE			
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	NEW CONSTRUCTION			
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK			
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION			
SPUD REPORT Date of Spud:						
	L REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON			
	L_ TUBING REPAIR L	☑ VENT OR FLARE	☐ WATER DISPOSAL			
DRILLING REPORT Report Date:	L WATER SHUTOFF L	SI TA STATUS EXTENSION	APD EXTENSION			
	WILDCAT WELL DETERMINATION	OTHER	OTHER:			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  Marion recently was recapitalized with funds to put the Clear Creek field on production, and has since been working step-wise through the field to accomplish that goal. This has included workover, fracking, repairing and/or re-rigging wells; establishing sufficient compression to put gas in the mainline; and to rehabilitate and fine tune the gas gathering and water pumping and disposal systems. The Oman 10-29 is one of two remaining wells that is in line for work. Marion Energy plans to frac this well in the near term following definitive production information from the Oman 2-20 which has recently been fracture stimulated and is currently being brought into production. We currently do not have a pressure test for this well.						
NAME (PLEASE PRINT) Ben Evans	PHONE NUMBE 214 592-8615	R TITLE Landman				
SIGNATURE	Z14 J3Z-001J	DATE				
N/A		7/14/2014				

Division of Oil, Gas and Mining

Operator Change/Name Change Worksheet-for State use only

Effective Date:

6/1/2015

FORMER OPERATOR:	NEW OPERATOR:
Marion Energy, Inc	Utah Gas Operating Solutsion, LLC
1415 N Loop West, Suite 1250	1415 N Loop West, Suite 1250
Houston, TX 77008	Houston, TX 77008
281-540-0028	281-540-0028
CA Number(s):	Unit(s): Clear Creek

#### WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attache Listq									

#### **OPERATOR CHANGES DOCUMENTATION:**

1. Sundry or legal documentation was received from the **FORMER** operator on:

6/24/2015

2. Sundry or legal documentation was received from the **NEW** operator on:

6/24/2015

3. New operator Division of Corporations Business Number:

9345770-0161

#### **REVIEW:**

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A

2. Receipt of Acceptance of Drilling Procedures for APD on:

N/A

3. Reports current for Production/Disposition & Sundries:

6/25/2015

4. OPS/SI/TA well(s) reviewed for full cost bonding:

6/25/2015

5. UIC5 on all disposal/injection/storage well(s) approved on:

7/8/2015

6. Surface Facility(s) included in operator change:

Clear Creek Tank Battery

7. Inspections of PA state/fee well sites complete on (only upon operators request):

6/25/2015

#### **NEW OPERATOR BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: SU46335

2. Indian well(s) covered by Bond Number:

N/A

3.State/fee well(s) covered by Bond Number(s):

SU46334 and SU46341

#### **DATA ENTRY:**

1. Well(s) update in the <b>OGIS</b> on:	7/9/2015
2. Entity Number(s) updated in <b>OGIS</b> on:	7/9/2015
3. Unit(s) operator number update in <b>OGIS</b> on:	7/9/2015
4. Surface Facilities update in <b>OGIS</b> on:	N/A
5. State/Fee well(s) attached to bond(s) in <b>RBDMS</b> on:	7/9/2015
6. Surface Facilities update in <b>RBDMS</b> on:	7/9/2015

#### LEASE INTEREST OWNER NOTIFICATION:

1. The NEW operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division

of their responsibility to notify all interest owners of this change on: 7/9/2015

#### **COMMENTS:**

Ellective 6/1/2015	_	(D) 1 2 2	Dic	ADI	- · · ·	14: :	0 0	ar.	G	TT 1
Well Name	Sec		RNG		Entity	Mineral	<del> </del>	Туре	Status	Unit
ALPINE SCHOOL DIST 3-17	17	130S	+	4300731182	2550	State	Fee	WD	Α	CLEAR CREEK
RIDGE RUNNER 8-19	20	140S	+	4301530682	2550	Federal	Federal	GW	OPS	CLEAR CREEK
RIDGE RUNNER 2-18	17	140S	+	4301530683		Federal	Federal	GW	OPS	CLEAR CREEK
UTAH FUEL 10	5	140S		4300716016	2550	Fee	Fee	GW	P	CLEAR CREEK
RIDGE RUNNER 13-17	17	140S	· · · · · · · · · · · · · · · · · · ·	4301530269	2550	Federal	Federal	GW	P	CLEAR CREEK
UTAH FUEL 1	5	140S	070E	4300716009	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 2	32	130S		4300716010	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 3	32	130S	070E	4300716011	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 4	30	130S	+	4300716012	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 5	31	130S	070E	4300716013	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH MINERAL STATE	29	130S	070E	4300730102	2550	State	Fee	GW	PA	CLEAR CREEK
BALLPARK CYN 17-2	16	130S	100E	4300731169	15494	Fee	Fee	D	PA	
KENILWORTH RAILROAD 15-4	16	130S	100E	4300731170	15495	Federal	Fee	D	PA	
BALLPARK CYN 16-2	16	130S	100E	4300731171	15434	Fee	Fee	D	PA	
CORDINGLY CYN 10-1	15	130S	100E	4300731173	15435	Fee	Fee	D	PA	
BALLPARK CYN 16-2X	16	130S	100E	4300731207	15496	Fee	Fee	D	PA	
UTAH FUEL A-1	6	140S	070E	4301516021	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 8	19	130S	070E	4300716015	2550	Fee	Fee	GW	S	CLEAR CREEK
OMAN 2-20	20	130S	070E	4300730289	2550	State	Fee	GW	S	CLEAR CREEK
KENILWORTH RR #1	16	130S	100E	4300731006	14624	Fee	Fee	GW	S	
KENILWORTH RR #2	16	130S	100E	4300731007	14625	Fee	Fee	GW	S	
BALLPARK CANYON #1	16	130S	100E	4300731015	15159	Fee	Fee	GW	S	
CORDINGLY CYN 15-2	15	130S	100E	4300731064	15160	State	Fee	GW	S	
CORDINGLY CYN 15-1	15	130S	100E	4300731065	15161	State	Fee	GW	S	
CORDINGLY CYN 11-1	11	130S	100E	4300731070	15432	Fee	Fee	GW	S	
CORDINGLY CYN 15-5	15	130S	100E	4300731167	15433	State	Fee	GW	S	
KENILWORTH RAILROAD 15-3	16	130S	100E	4300731168	16041	Federal	Fee	GW	S	
ALPINE SCHOOL DIST 6-17	17	130S	070E	4300731181	2550	State	Fee	GW	S	CLEAR CREEK
OMAN 10-29	29	130S	070E	4300731210	2550	State	Fee	GW	S	CLEAR CREEK
KENILWORTH RR 1-A	16	130S	100E	4300731229	16456	Fee	Fee	GW	S	
RIDGE RUNNER 11-20	20	140S	070E	4301530271	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 1-30	20	140S		4301530680	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 2-19	17	140S	070E	4301530684	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 11-17	17	140S	+	4301530685	2550	Federal	<del> </del>	GW	S	CLEAR CREEK

1 6/25/2015

STATE OF UTAH **DEPARTMENT OF NATURAL RESOURCES** 5. LEASE DESIGNATION AND SERIAL NUMBER: DIVISION OF OIL, GAS AND MINING ML-1257 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals Clear Creek 1. TYPE OF WELL 8. WELL NAME and NUMBER: OTHER Compressor OIL WELL GAS WELL 2. NAME OF OPERATOR: 9. API NUMBER: Utah Gas Operating Solutions, LLC 3. ADDRESS OF OPERATOR: PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: 1415 North Loop West, STE Comy Houston STATE TX 71P 77008 (281) 540-0028 4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: Carbon QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 33 **13S** STATE: **UTAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF SUBMISSION TYPE OF ACTION ACIDIZE DEEPEN REPERFORATE CURRENT FORMATION ✓ NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO REPAIR WELL Approximate date work will start: CASING REPAIR **NEW CONSTRUCTION** TEMPORARILY ABANDON CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING REPAIR 6/1/2015 CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT WATER DISPOSAL CHANGE WELL NAME (Submit Original Form Only) WATER SHUT-OFF **CHANGE WELL STATUS** PRODUCTION (START/RESUME) Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: CONVERT WELL TYPE **RECOMPLETE - DIFFERENT FORMATION** 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please accept this as notice that as of June 1st,2015, Marion Energy, Inc. is resigning as the operator of the "Clear Creek Compressor Station" and assigning Utah Gas Operating Solutions, LLC. as the successor of operator. This is in conjunction with Utah Gas Operating Solutions, LLC bond number 50 46334 "Clear Creek Compressor Station" Sec 33 13S 7E NWNW Marion Energy Date: 6 11 15 Signature: Utah Gas Operating Solutions, LLC. Date: 4-15-2015 Title: AGENT-LIMITED ATTORNEY IN FACT

(This space for State use only)

SIGNATURE

APPROVED

6-15-2015

(See Instructions on Reverse Side)

JUL 0 9 2015

# **STATE OF UTAH**DEPARTMENT OF NATURAL RESOURCES

5. LEASE DESIGNATION AND SERIAL NUMBER: DIVISION OF OIL, GAS AND MINING ML-1257 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. Clear Creek Unit 8. WELL NAME and NUMBER: 1. TYPE OF WELL OIL WELL GAS WELL 🔽 OTHER 2. NAME OF OPERATOR: 9. API NUMBER: Marion Energy, Inc 3. ADDRESS OF OPERATOR: PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: CITY Houston STATE TX ZIP 77008 (281) 540-0028 Helper Field 1415 N Loop W, STE 1250 4. LOCATION OF WELL COUNTY: FOOTAGES AT SURFACE: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: **UTAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF SUBMISSION TYPE OF ACTION REPERFORATE CURRENT FORMATION ACIDIZE DEEPEN  $\square$ NOTICE OF INTENT SIDETRACK TO REPAIR WELL (Submit in Duplicate) ALTER CASING FRACTURE TREAT Approximate date work will start: CASING REPAIR **NEW CONSTRUCTION** TEMPORARILY ABANDON CHANGE TO PREVIOUS PLANS **OPERATOR CHANGE TUBING REPAIR** 6/1/2015 CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK WATER DISPOSAL (Submit Original Form Only) **CHANGE WELL STATUS** PRODUCTION (START/RESUME) WATER SHUT-OFF Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: CONVERT WELL TYPE **RECOMPLETE - DIFFERENT FORMATION** 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. As of June 1st, 2015, Marion Energy, Inc. resigns as Operator over its former Clear Creek Unit and Helper Field assets. In conjunction with this resignation, Utah Gas Operating Solutions, LLC. will be taking over as the Successor Operator upon your approval. Please refer to all documents submitted by Utah Gas Operating Solutions, LLC. as successor unit operator and on behalf of Marion Energy, Inc. regarding this change. Please see the attached Appendix A below for a complete well and facility list that will be transferred upon governing approval. As the Vice President of Marion Energy, Inc. I ask that you accept this letter as Marion Energy's official resignation and request to transfer operating rights to Utah Gas Operating Solutions, LLC. Date: 6/11/15 Signature: Doug Flavinery Vice President TITLE AGENT - CONTRACT OPERATOR DATE 6-15-2015

(This space for State use only)

APPROVED

(5/2000)

(See Instructions on Reverse Side)

JUL 0 9 2015

DIV. OIL GAS & MINING
BY. Rachel Medina

## APPENDIX A

## Well List

Well Name	Sec	TWN	RNG	API	Status
ALPINE SCHOOL DIST 3-17	17	130S	070E	4300731182	A
KENILWORTH RAILROAD 9-1	16	130S	100E	4300731172	LA
IACOB 5-5	5	140S	070E	4300731190	LA
JACOB 4-8	5	140S	070E	4300731191	LA
OMAN 2-31	30	130S	070E	4300731246	LA
OMAN 3-32	29	130S	070E	4300731247	LA
MADSEN 11-20	19	130S	070E	4300731297	LA
OMAN 7-19	19	130S	070E	4300731298	LA
WOOLSEY 3-31	31	130S	070E	4300731305	LA
OLD RAIL ROAD GRADE 17-1	17	130S	100E	4300731354	LA
KENILWORTH WASH 18-1	18	130S	100E	4300731355	LA
ALRAD CYN 13-1	13	130S	100E	4300731357	LA
CORDINGLY CYN 15-6	15	130S	100E	4300731416	LA
RIDGE RUNNER 7-20	20	140S	070E	4301530681	LA
RIDGE RUNNER 8-19	20	140S	070E	4301530682	OPS
RIDGE RUNNER 2-18	17	<b>140S</b>	070E	4301530683	OPS
UTAH FUEL 10	5	140S	070E	4300716016	P
RIDGE RUNNER 13-17	17	140S	070E	4301530269	P
UTAH FUEL 1	5	140S	070E	4300716009	PA
UTAH FUEL 2	32	130S	070E	4300716010	PA
UTAH FUEL 3	32	130S	070E	4300716011	PA
UTAH FUEL 4	30	130S	070E	4300716012	PA
UTAH FUEL 5	31	130S	070E	4300716013	PA
UTAH MINERAL STATE	29	130S	070E	4300730102	PA
BALLPARK CYN 17-2	16	130S	100E	4300731169	PA
KENILWORTH RAILROAD 15-4	16	130S	100E	4300731170	PA
BALLPARK CYN 16-2	16	130S	100E	4300731171	PA
CORDINGLY CYN 10-1	15	130S	100E	4300731173	PA
BALLPARK CYN 16-2X	16	130S	100E	4300731207	PA
UTAH FUEL A-1	6	140S	070E	4301516021	PA
OMAN 14-20	29	130S	070E	4300731209	RET
CORDINGLY CYN 2-1	2	130S	100E	4300731236	RET
SWD 1	28	130S	100E	4300731417	RET
SHIMMIN 33-1	33	120S	110E	4300731431	RET
SEAMONS 5-8	8	130S	070E	4300731432	RET
CRITCHLOW 29-1	29	120S	110E	4300731433	RET
RADAKOVICH 12-5-1	5	130S	070E	4300731434	RET
ALLRED 10-1	10	120S	110E	4300731435	RET

RADAKOVICH 12-5	5	130S	070E	4300731436	RET
SEAMONS 5-8-2	8	130S	070E	4300731437	RET
WOOLSEY 3-31-1	31	130S	070E	4300731438	RET
ALLRED 13-1	13	120S	110E	4300731439	RET
JACOB 5-5	5	140S	070E	4300731513	RET
UTAH FUEL 8	19	130S	070E	4300716015	S
OMAN 2-20	20	130S	070E	4300730289	S
KENILWORTH RR #1	16	130S	100E	4300731006	S
KENILWORTH RR #2	16	130S	100E	4300731007	S
BALLPARK CANYON #1	16	130S	100E	4300731015	S
CORDINGLY CYN 15-2	15	130S	100E	4300731064	S
CORDINGLY CYN 15-1	15	130S	100E	4300731065	S
CORDINGLY CYN 11-1	11	130S	100E	4300731070	S
CORDINGLY CYN 15-5	15	130S	100E	4300731167	S
KENILWORTH RAILROAD 15-3	16	130S	100E	4300731168	S
ALPINE SCHOOL DIST 6-17	17	130S	070E	4300731181	S
OMAN 10-29	29	130S	070E	4300731210	S
KENILWORTH RR 1-A	16	130S	100E	4300731229	S
RIDGE RUNNER 11-20	20	140S	070E	4301530271	S
RIDGE RUNNER 1-30	20	140S	070E	4301530680	S
RIDGE RUNNER 2-19	17	140S	070E	4301530684	S
RIDGE RUNNER 11-17	17	140S	070E	4301530685	S

# **Facility List**

Clear Creek Compressor Station 33 13S 7E

Sundry Number: 65820 API Well Number: 43007312100000

	STATE OF UTAH		FORM 9		
	DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MININ		5.LEASE DESIGNATION AND SERIAL NUMBER: ML-1256		
SUNDF	RY NOTICES AND REPORTS OF	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
Do not use this form for procurrent bottom-hole depth, FOR PERMIT TO DRILL form	7.UNIT or CA AGREEMENT NAME: CLEAR CREEK				
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: OMAN 10-29				
2. NAME OF OPERATOR: UTAH GAS OPERATING SOL	LUTIONS,LLC		9. API NUMBER: 43007312100000		
3. ADDRESS OF OPERATOR: 1415 North Loop West, ST	Pi E 1250 , Houston, TX, 77008	HONE NUMBER: 281 540-0028 Ext	9. FIELD and POOL or WILDCAT: CLEAR CREEK		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052 FSL 1581 FEL			COUNTY: CARBON		
QTR/QTR, SECTION, TOWNS	HIP, RANGE, MERIDIAN: 29 Township: 13.0S Range: 07.0E Meridiaı	n: S	STATE: UTAH		
11. CHEC	K APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPOR	RT, OR OTHER DATA		
TYPE OF SUBMISSION		TYPE OF ACTION			
We have completed pit, stabilized the se	CHANGE TO PREVIOUS PLANS  CHANGE WELL STATUS  DEEPEN  OPERATOR CHANGE  PRODUCTION START OR RESUME  REPERFORATE CURRENT FORMATION  TUBING REPAIR  WATER SHUTOFF  WILDCAT WELL DETERMINATION  COMPLETED OPERATIONS. Clearly show all deparator building, and fixed the exparator building, and fixed the exparator building area of the location.  Working area of the location	CASING REPAIR  CHANGE WELL NAME  CONVERT WELL TYPE  NEW CONSTRUCTION  PLUG BACK  RECOMPLETE DIFFERENT FORMATION  TEMPORARY ABANDON  WATER DISPOSAL  APD EXTENSION  OTHER: Site clean up  Diepths, volumes, etc.  Accepted by the Utah Division of Oil, Gas and Mining  FOR RECORD ONLY  September 01, 2015			
NAME (PLEASE PRINT) Tyler Merritt	PHONE NUMBER 281 540-0028	TITLE Project Manager			
SIGNATURE N/A	201 040 0020	DATE 9/1/2015			

Sundry Number: 69778 API Well Number: 43007312100000

STATE OF UTAH					FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING				5.LEASE DESIGNATION AND SERIAL NUMBER: ML-1256	
SUNDRY NOTICES AND REPORTS ON WELLS				6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.				7.UNIT or CA AGREEMENT NAME: CLEAR CREEK	
1. TYPE OF WELL Gas Well				8. WELL NAME and NUMBER: OMAN 10-29	
2. NAME OF OPERATOR: UTAH GAS OPERATING SOLUTIONS,LLC				9. API NUMBER: 43007312100000	
<b>3. ADDRESS OF OPERATOR:</b> 1415 North Loop West, STE 1250 , Houston, TX, 77008 <b>PHONE NUMBER:</b> 281 540-0028 E				9. FIELD and POOL or WILDCAT: CLEAR CREEK	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2052 FSL 1581 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 13.0S Range: 07.0E Meridian: S				COUNTY: CARBON	
				STATE: UTAH	
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION					
NOTICE OF INTENT Approximate date work will start: 7/1/2016	ACIDIZE		ALTER CASING	CASING REPAIR	
	CHANGE TO PREVIOUS PLANS		CHANGE TUBING	CHANGE WELL NAME	
	CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE	:
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN		FRACTURE TREAT	NEW CONSTRUCTION	ı
	OPERATOR CHANGE	ı	PLUG AND ABANDON	PLUG BACK	
SPUD REPORT Date of Spud:	PRODUCTION START OR RESUME		RECLAMATION OF WELL SITE	RECOMPLETE DIFFER	ENT FORMATION
	REPERFORATE CURRENT FORMATION		SIDETRACK TO REPAIR WELL	TEMPORARY ABANDO	ON
	TUBING REPAIR		VENT OR FLARE	WATER DISPOSAL	
DRILLING REPORT Report Date:	WATER SHUTOFF		SI TA STATUS EXTENSION	APD EXTENSION	
	WILDCAT WELL DETERMINATION	1	OTHER	OTHER: Update	i
12 DESCRIBE PROPOSED OR		w all no	rtinent details including dates d		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, This well is shut in waiting on a frac. It is our intention to frac this well as soon as we get results from our efforts to bring the other wells in this field into production.				Accepted by Utah Divisio Oil, Gas and M FOR RECOF February 16	n of lining RD ONLY
NAME (PLEASE PRINT) PHONE NUMBER			TITLE		
Tyler Merritt 281 540-0028			Project Manager		
SIGNATURE   N/A			<b>DATE</b> 2/11/2016		